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CHINESE LABOR TRYING TO HURDLE A CENTURY

WHEN ONE READS the history of the evolu-
tion of labor in Western lands there is
immediately noted the striking resemblance
of conditions existing in England in the early part of
the past century to conditions now existing in China.
From about 1806 to about 1870 in both England and
the United States there was a constant struggle on
the part of labor for the right to organize and the
consequent pressure upon legislative bodies for
improvement of conditions surrounding laborers. It
was not until 1849 that an American state adopted
legislation regulating hours of labor. This was the
state of Pennsylvania and the hours of labor were
limited to ten a day. In 1869 the first bureaus of labor
statistics were established in the United States. In
England, although there is evidence of labor legislation
as early as 1360, it was not until the first half of the
past century that labor first began to organize, and
force through legislative means, an improvement of
working conditions. There was one period in the early
history of the United States when labor made the
experiment of a general union of workers, the leaders
hoping in that way to attain the millennium, but of
course they failed as the Chinese who are now trying
the same thing will fail. All through this period there
is found record of the striving of labor for improve-
ment of conditions, limitation of hours of labor,
regulation of disputes between workers and
employers, regulations of employment of apprentices,
establishing the right of laborers to bargain
collectively and make contracts, the legalization of
trade unions and so on. Finally a law was passed in
most of the American states prohibiting employers
from discharging men because of membership in
unions. And the end is not yet, of course, witness the
recent disastrous coal strikes in England. In America
the recent legislation limiting immigration was
forced, largely on account of pressure upon Congress
exerted by organized labor.

WHEN WE TURN to China we find labor just
at the beginning of the long struggle. In
Hankow, now controlled by the Kuomintang
Party, we have labor unions being organized in every
possible industry and strikes being called on every
possible pretext. Westerners, unfamiliar with the
history of the long struggles of laborers of a century
and more ago in their own countries, naturally
become impatient with what they consider to be the
senseless demands of present-day Chinese laborers.
It is only in the light of past history in the West,
that a correct appraisal can be made of the labor
situation in China today. Chinese labor is just
emerging from a state of feudalism for we have

hand-labor giving way to machine mass-production; we have apprentices just emerging from a state of near-slavery to a position where they may barter their services in a more or less open market. And with it all we have the complications of western capitalism and so-called imperialism on the one hand and communism and bolshevism on the other. It is naturally to the best interests of the West that Oriental labor should be lifted as quickly and efficiently as possible to a status somewhat comparable to conditions existing in the West, but how to accomplish this magic trick in a brief number of years is the problem. According to one report from Hankow Chinese workers in a British owned factory have demanded that the owners comply at once with certain factory regulations or reforms which recently were adopted in England. Thus would Chinese laborers with a background of near-feudalistic conditions attempt to lift themselves to a plane of equality with modern conditions in a modern Western democracy where labor has fought its way up to its present plane through centuries of educative and experimental effort. Chinese labor as well as Chinese institutions generally, has been isolated from contact with the scientific West, but conditions of isolation no longer obtain. Laborers of the West, feeling the competition of the primitive East, are trying to help the East to a higher plane, not from humanitarian motives so much as from competitive motives. If the East, by means of its lower wage scale and longer hours can underbid the West, then it is to the interests of the West that laborers of the East be educated to a higher plane. Thus do we find explanation for the constant procession of "uplifters" from the West who are investigating conditions in the East. It is all done in the name of humanitarianism, but behind it all is the primitive instinct of the West bent upon self-protection. Assuredly the outlook is not bright for those of the West who thought they saw vast profits in the exploitation of the cheap labor of the East, the reason being that the East is not likely to follow the slow and gradual evolution of the West. The East, from present indications, is going to attempt the interesting experiment of hurdling a century in trying to achieve a plane of equality with the West. The result is likely to be chaos.

THE KUOMINTANG or Chinese Southern party has come into power largely as a result of propaganda among the laborers to whom they have promised everything. It is therefore but natural that the laborers should attempt to collect as soon as the Kuomintang gets into power, witness the present situation in Hankow. The danger in the present situation rests in the fact that the mass of Chinese laborers are uneducated and hence incapable of understanding that they cannot at one step, so to speak, achieve a position of equality with the West which has had industrial development for a century and more. Industrial development in China from a modern Western standpoint is a new thing, hence is not in a position to stand the strain of prolonged labor unrest. Therefore the Chinese laborers are likely to find that the golden egg is not obtainable, simply because the hen that produces the egg has been killed. And when the laborers find that the millenium is not obtainable, it is likely that they may turn on those responsible for the promises and make the situation most uncomfortable. In America and most Western lands it has been the merchant and property owner who has been able to maintain the equilibrium, but in China, unfortunately, the Chinese merchant and banker has never interested himself in

politics, leaving that important field of human activity to the politicians and tuchuns. Now that he is faced with a real peril to his future existence, it will be interesting indeed to observe his reactions. Still another interesting development of the present situation in China is likely to come when the laborers clash with the militarists, for it is already evident that the laborers may be the ones to bring the militarists to book through propaganda spread among the Chinese soldiers, who themselves are nothing but laborers carrying rifles instead of spades and axes and hammers.

HAS GEN FENG RENOUNCED HIS CHRISTIANITY

THERE HAS BEEN so much propaganda about Feng Yu-hsiang's Christianity that it is difficult to determine where truth ends and fiction begins. There is even a dispute regarding the incidence of his conversion, some claiming that he became a Christian as a result of listening to an address by a prominent Y. M. C. A. worker from America while others attribute his conversion to the efforts of a missionary who happened to be stationed in Honan province when Feng Yu-hsiang was in control of that area. At any rate there can be little grounds for disputing the fact that Feng actually embraced Christianity—as a matter of fact he embraced it with both arms and became a genuine fundamentalist crusader. He stamped out opium smoking among his troops, prohibited all gambling in the territories under his control, abolished houses of prostitution, eliminated the production of poppies and use of narcotics and placarded the walls of the buildings with translations from the Scriptures along with admonitions to patriotism. Also, he compelled his soldiers, or if *compelled* is too strong a word, he found ways for *inducing* his soldiers to also embrace the Christian faith and had so many of them baptised that he had to enlist a number of missionaries to perform the service. Yes, Feng became a Christian and he took it seriously to the extent of applying Christian principles in his daily work. Unlike most 'Christians' who think it is sufficient to belong to church and make an annual contribution to the church treasury but who never permit Christian principles to interfere with their business or personal habits, Feng took his Christianity seriously and tried to apply its principles in his daily life, manifestly a difficult proposition for a Chinese general in control of a large army.

WHEN IT BECAME generally known that Feng had embraced Christianity it was hailed in certain missionary circles as the real beginning of the Christianization of China and much was made of the news in a propaganda way, especially abroad. But there were some missionaries, realizing the possible complications, who were not so optimistic. They feared possible adverse effects and their fears were well grounded as later events showed. First, there was the case of Feng's deflection from his superior Wu Pei-fu in the war against Chang Tso-ling. We have no desire to dig into old controversies, but whether Feng was right or not in his sudden return to Peking in the fall of 1924, his action was seriously criticised by the Wu Pei-fu advocates, who not only charged him with disloyalty to his chief but with hypocrisy to his Christian principles. This sudden action of Feng has not and probably never will be explained but his friends insist that he knew that Wu, in command of the other wing of the Chihli army, had been defeated, or was about

to be defeated, hence he did the only thing possible to save the situation: he returned to Peking, took over the Government and prevented Chang Tso-ling from coming in. It is known that he was opposed to the war from the start. But regardless of the reason Feng was attacked on the basis of selfish or 'un-Christian' conduct toward his chief, and he was further attacked for holding the President, Tsao Kun, a prisoner for many months without trial. Then in the summer of 1925 came the May 30 incident in Shanghai, causing Feng to immediately take the side of the students and to repeatedly threaten to wage war upon Great Britain, which, of course, brought still further criticism from many of his erstwhile 'Christian' friends.

IT WAS SHORTLY after this that Feng announced that he was relinquishing command of the Kuominchun army and going abroad, his destination, according to the first reports, being Germany. But instead, Feng went to Moscow where he remained for many months in consultation with officials of the Soviet Government and the Third International. He is now back in China and although there has been no official announcement, various rumors have appeared in the press that Feng Yushiang has become cold on the subject of Christianity. Whether correct or not, the reports are to the effect that Feng has not cordially received several of his former missionary friends who have gone to Shensi and Kansu to visit him since his return from Moscow. Without professing to know what has taken place in Feng's mind, it is quite possible that Feng's sojourn in Moscow where he came in contact with the anti-Christian propaganda of the Soviets, combined with his reactions in respect to the May 30 and succeeding incidents, has had the effect of severely shaking his faith in Christianity. According to those who have associated with Feng and know him intimately, he is naturally honest and trusting and straight-forward. It is quite possible that he accepted his Christianity too well, believing that all Westerners coming from 'Christian' nations followed the tenets of Christianity just as scrupulously as did his missionary friends. This naturally got him into difficulties in 1925 when he discovered that Western 'Christian' nations did not hesitate to use rifles and gunboats in enforcing their views in respect to the treaty question. Then, due to his location in the Northwest territories, he came in contact with the emissaries of Moscow who told him that American and British missionaries are the 'running dogs' of the imperialists, otherwise, that Western nations use the missionaries and Christianity as the 'entering-wedge' for enslaving China. We have no evidence that this happened, but it is entirely logical in view of the constant campaign against Christianity which is being pushed in Russia by the officials of the Soviet. And when Feng was in Moscow, naturally he was brought into direct contact with this propaganda, hence the possibility that he has renounced Christianity entirely, something which has happened before with other Chinese when they discovered that all Westerners did not live up to the teachings of the Book or the examples set by the missionaries.

THE SALEM COLLECTION OF CHINESE BOOKS

THE INTERESTING story of the founding of the Essex Institute Library of books on China of Salem, Massachusetts, is contained in a catalogue which has just been compiled by Miss Louise Marion Taylor, librarian, copy of which has

just been received in China. The library had its inception, according to Miss Taylor's account with one Thomas Franklin Hunt, a son of Thomas Hunt of Salem who was interested in the China trade about the middle of the past century. Thomas Franklin Hunt came out to China with his mother in 1848 and lived at Whampoa for a considerable period. He returned to the East in 1859 and lived for three years in Hongkong and at the close of the Opium War was able to make a considerable collection of Chinese art treasures. His last visit to China was in 1864 and when he died in 1898 he left his collection of scrap books, clippings and photographs to the Essex Institute. In 1895 a catalog listing the 600 volumes was published. But the main success of the collection from the standpoint of its present magnitude must be attributed to another and better known citizen of Salem, General Frederick T. Ward. Thanks to the activities of the Shanghai post of the American Legion, present-day American residents of China are now quite familiar with his life and activities in China and it has been largely due to the activities of the Legion that Ward's grave and the Chinese shrine at Sungkiang have been preserved and kept in condition in these modern disturbed days of the Republic. Ward came to China at 15 years of age and spent about twelve years on the China coast, landing at Shanghai in 1859. He jumped into the Taiping Rebellion, organized a force of 10,000, financed his expedition with a loan from a Chinese banker named Taki and won important victories for the Imperial forces. He was killed in 1862 and in 1896 the Chinese Government made a settlement upon his family. It was therefore fitting that a few years later, Miss Elizabeth C. Ward, a sister and only survivor of the immediate family, should leave a legacy for the enlargement and upkeep of the China Library as a memorial to her brother. The library today, according to the catalog, is especially rich in books in the English language descriptive of the Chinese Empire and its people, there being included many early and rare works on travel and art. The number of works now is upward of 4,000 and is being constantly increased.

The Silver Situation in America

Stocks of silver at end of October amounted to 543,000 fine ounces, of which 515,000 fine ounces were domestic and 28,000 fine ounces foreign. At end of September stocks were 336,000 fine ounces, composed of 333,000 fine ounces domestic and 3,000 fine ounces foreign.

Domestic production in October totaled 5,011,000 fine ounces, compared with 4,860,000 fine ounces in preceding month. Foreign output last month was 6,763,000 fine ounces, against 6,602,000 fine ounces in September, and total production in October was 11,774,000 fine ounces, contrasted with 11,462,000 fine ounces in September.

For ten months ended with October production was 111,106,000 fine ounces, of which 50,421,000 fine ounces were domestic and 60,685,000 fine ounces foreign.

Mexican output of silver, which has been around 8,000,000 ounces a month, is not available as yet for October. Canada produced 2,117,000 ounces in October, compared with 1,926,000 in September and 2,142,000 in August, making total for the ten months of 17,961,000 ounces.

Peru produced in October 1,571,000 ounces against 1,456,000 in September and 1,476,000 in August, making 16,558,000 ounces for first ten months. Burma produced, according to estimate of American Bureau of Metal Statistics, 400,000 ounces in October, against 386,000 in September and 377,000 in August, making output for ten months 4,312,000 ounces. Australia produced in October 479,000 ounces against 695,000 in September and 740,000 in August, making 6,682,000 ounces for first ten months. Bolivian output is estimated to have been 500,000 ounces, the same as estimated for September, and comparing with 558,000 ounces in August, making 4,906,000 ounces for the first ten months of 1926.

Bolshevizing the Yale-in-China College

BY CHARLES DAILEY

THE struggle is still in progress and the last chapter is yet to be written, but it is not too early to tell the tale of the warfare upon Christianity and the attempt to Bolshevize Christian institutions, especially as exemplified in Changsha, capital of Hunan province, now in the hands of the Cantonese Nationalists. In Hunan, at least, the radical or Bolshevik faction of the party is in control and the chief campaign is being carried on at that great institution known as Yale-in-China, although other institutions of lesser prominence also are concerned.

At the moment Changsha is in the grip of strikers in the schools over the anti-Christian demands of the students. Not only have the students struck, but in some instances they refuse to leave the premises and insist upon being fed until their demands are met. The institutions chiefly affected are Yale-in-China, which includes a middle school, a college, a hospital and training-schools for physicians and nurses; Hunan Bible Institute, which is the victim of a most vicious campaign; Chung-Chih, Yuchang and Heng-Hsu girls schools; Presbyterian mission schools and Hunan University. Virtually every educational institution in Changsha is tied up owing to Bolshevik activities.

The War Against Christianity

As time goes on it becomes more and more apparent that the warfare of the Soviet-aided Kuomintang is directed not only against the foreign treaty-powers but also against Christianity and that it is the purpose to drive the missionary and the Bible from the field. The Christian missionaries in Central China are taking stock over the long Christmas and New-Year holidays,—prolonged by the precipitation of the strikes well in advance of the usual adjournment period—and for the most part have come to the conclusion that the spread of the Bolshevik-aided Nationalist government that has set itself up in the ancient capital of Wu-Han is distinctly non-Christian and that the present onslaughts against Christianity are but the prelude. One of the planks in the Kuomintang platform guarantees freedom of speech and of creed, which would seem to keep the door open for the propagation of Christianity, yet another plank makes it clear that all missionary institutions are to be controlled by the government and that foreigners may be employed only in an advisory capacity.

Foreigners Ready to go

As I write, the foreign staff of Yale-in-China is ready to flee at a moment's notice, and some of the Chinese staff, headed by Dr. F. C. Yen, the nominal head, already have sought safety in flight after a threat by the students to parade Dr. Yen through the streets of Changsha, which is the greatest insult and humiliation that can be heaped upon a Chinese. It was necessary to give Dr. Yen an escort to assure safe conduct to Hankow.

This American institution is maintained by the Yale Foreign Missionary Society, which provides eighty per cent. of the finances. The remaining twenty per cent. comes from the tuition, which is nominal. In line with the policy of gradually turning the institution over to the Chinese, just as is proposed for that great institution founded by John D. Rockefeller and known as the Peking Union Medical College, Dr. Yen has been made the nominal head of the Medical College. Dr. Branch, an American, is the acting superintendent of the hospital, the chief unit of the institution, which is valued at \$3,000,000 (Mex.) The finances are handled by Mr. Leavens (American) as the time does not seem ripe to turn the American contributions wholly over to the Chinese. All the Yale property is owned by the foreigners except the hospital building and the out-patient building, which latter is not yet completed. Although the hospital has been turned over legally it still receives American support.

The troubles of Yale-in-China, as with all the other Christian institutions in Changsha, date from the arrival there in early November of the Soviet Consul. This hardly can be a co-incidence, although it is barely possible. The situation is complicated by the fact that the Kuomintang Commissioner of Foreign Affairs, Tung Wei-Chi, is also the acting Superintendent of Education, through whose orders the non-Bible-reading, optional religious course and the weekly deification in school assembly of Sun Yat-Sen, together with control of the institution by the Student Union over the heads of the faculty have been put into effect. Tung is also the Director of Propaganda for the Kuomintang in Hunan province and thus with his three jobs a man of great power.

Americans Handicapped

When Acting American Consul Vincent is compelled to negotiate with Tung as Foreign Affairs Commissioner regarding the troubles of Yale-in-China he finds this *Pook-Bah* of Sovietism the judge and jury, for it is in his two other capacities that he has acted in laying down the new regulations. A more complete frame-up against Christianity and for the confiscatory control of American philanthropy would not be imagined by a writer of fiction.

Matters grew so serious in mid-December, at the time of the flight of Dr. Yen, that the question of landing a guard from the American gunboat Villalobos for the protection of the American staff was raised. The members of the staff, however, were apprehensive that some of the Bolshevik-inspired student strikers would open fire on them and that some of the hospital staff might be killed and a general attack made upon the Yale compound.

Down at the bottom of the whole affair, and affecting all missionary institutions in China, is the programme already published in the captured provinces, that by April 1 next all mission schools and private schools must conform with the drastic regulations laid down by the Ministry of Education. When enforced, they will make the mission schools wholly Chinese because they stipulate that the foreigner may be employed only in an advisory capacity, and furthermore the finances are to be in control of a Chinese board. The teaching of Christianity is made an elective course. The missionaries have been loath to make these facts known at home for fear the contributions that have flowed so freely will cease to come.

Value of the Plant

Here is a list of the institutions involved by the anti-Christian strike in Changsha and the valuation in Chinese currency of the plants, reckoning nothing for good will:

Yale Mission and Hospital	\$3,000,000
Hunan Bible Institute.. ..	2,000,000
Presbyterian Mission.. ..	1,500,000
Evangelical Church Mission	500,000
Hunan Theological Seminary	100,000
Seventh-Day Adventist Mission	100,000

A total of \$7,200,000 of American investment which the Kuomintang seeks virtually to confiscate in one city alone, and with the strike as the weapon. Imagine the possible total for all China and for other nationalities than American and some idea can be gained of the gigantic steal which is contemplated. I have even heard it stated that the Kuomintang expects to recover the full amount of the Boxer indemnity from the foreigners. This, however, may be but an idle boast.

Accompanying the strike of students and hospital nurses is a press campaign of villification which is almost too shocking for polite ears. When the Kuomintang came to Changsha a newspaper called the *Republican Daily News* was instituted and this paper by lies and slander has sought to undermine the mission institutions with the Chinese people. In the case of the Hunan Bible Institute Mr. and Mrs. Keller and two Chinese teachers Hsiao and Kong were villified by name. No attack upon a Christian institution has been so cruel and so untrue as this. This slanderous newspaper stated that the Hunan Bible Institute must be cleaned out by fire—the fire of the Kuomintang. It charged that the foreigners had used their money to make Hsiao and Kong heads of the boys' and girls' schools respectively, and that the object in maintaining these schools was to have a house of prostitution; that the letters of the boys and girls were censored; that many babies were born in the school; that it was always too late when the parents discovered the truth as the girls were not permitted to go home until after graduation, two years from entering. The libellous article further stated that the girls who did not submit to the demands were cruelly treated until they did. Finally the writer stated that the Bible Institute taught all its students to await the coming of a King from Heaven and that this certainly was contrary to the teachings of the Kuomintang.

Going back to Yale-in-China. When the students of the Middle school went on strike and their demands were refused they called a strike at the medical college and then at the hospital. All the Chinese nurses, as well as those in the Nurses' school, were called out and of course the hospital was brought to a standstill. Pickets even went through the hospital and put up posters which villified the foreign medical and nursing staff.

All these attacks upon Christianity and upon the morals and virtue of the teachers, physicians and nurses cannot come from the Chinese themselves. It must be inspired by the Bolsheviks.

Hankow, Dec, 28, 1926.

British Claim Loans Not Imperialistic

The following report dealing with the history and position of British loans to China, was issued recently by the British Committee of Information at Tientsin.

CHINA has raised on the London market in the course of the last 30 years by means of long-term loans approximately 50 millions of pounds sterling of which about 36 millions are still an outstanding debt. These loans were raised by the sale of Chinese Government bonds issued at or very near parity at rates of interest varying according to the state of the market but mainly between $4\frac{1}{2}$ per cent. and 6 per cent. and ranked for many years in the estimation of the British public as an essentially solid class of foreign Government investment.

One of the consequences of the present disorder in China is that a considerable portion of these issues has fallen into default. The loss of income to British bondholders is great and steadily increasing while, regarded from a national point of view, the defaults mean a reduction in the national income from overseas investments with a corresponding adverse affect on the balance of trade as well, of course, as a loss of income-tax revenue.

Nature and Purposes of British Loans

A clear comprehension of the nature of the British loans to China is desirable not only on account of the extent of the British interests at stake, but also to remove certain not uncommon misconceptions arising from failure to distinguish between different classes of Chinese foreign loans. An important item in Bolshevistic propaganda against the so-called imperialist nations in relation to China is the charge levelled at China's foreign creditors of being exploiters and instruments of political aggression, the loans being represented as one-sided transactions forced upon a helpless country to the detriment of its general interests.

Whatever grounds may or may not exist for such an imputation in the case of some other loans, an analysis of Great Britain's contribution to Chinese finance will show little British financial transactions are deserving of such a charge.

The amount of China's national debt has yet to be determined. Nor is it easy to arrive with any certainty at the figure of her foreign indebtedness. That portion of the latter, however, which excludes the indeterminate mass of Provincial obligations, responsibility for which is not recognized by the Central Government, and which also leaves out of account the Boxer Indemnity, may be roughly stated in the round figure of £150,000,000 sterling.

Of this indebtedness, the figure of which is all that is required for the purpose of this paper, the sum of £85,000,000 is usually classified as secured, and the balance some £65,000,000 as unsecured or inadequately secured. The category of "unsecured" loans includes Government indebtedness for the purchase of rolling stock and other material required for the maintenance of works of public utility.

Security of Foreign Debt

When one speaks of the secured portion of China's foreign debt it must be explained that the security in question is good so long as trade continues and the two great revenue producing departments of the Government, namely the Customs Administration and Salt Administration are allowed to operate without interference and the government railways to function commercially. The so-called "unsecured" debt consists of obligations with no guarantee of payment from a specified source of revenue or else secured on revenues, which being free from any foreign supervision, have become entirely unavailable.

Before proceeding to deal with the British loans a word is needed regarding the Boxer Indemnity which was imposed by the Powers on China after 1900 to pay for the damage to foreign lives and property perpetrated by the Boxers. Of the original amount of 450 million Haikuan taels at fixed exchanges representing the equivalent of $67\frac{1}{2}$ millions sterling, nearly half (Russian, German and Austrian shares) was cancelled as a result of China's entry into the War. The balance, less about £6,000,000, has been remitted to China by the principal Powers including Great Britain. In order, however, to give a just impression of Great Britain's financial relationship with China, it may be permitted to remark that of the Boxer Indemnity Great Britain's share was 11 per cent. only. In view of the importance of British interests, as reflected by various criteria not least the fact that more than half China's trade at the time was in the hands of Great Britain, it may be wondered whether British sufferers received a just share of compensation. No useful purpose would be

served by going into ancient history but this at least may be said in evidence of the spirit which has animated and still animates British sentiment for China.

Although part of the Russian indemnity, 29 per cent. of the total, may have been due to material losses, generally speaking the remarkable disparity between the British share and that of most other Powers was accounted for by the different views of their duties taken by the Indemnity Commissioners of the different nations. Whereas the British Commissioner, applied the strict rule of English law in the matter of recoverable damages, other Commissioners took a more liberal view of the measure of compensation to which their nationals were entitled on recommencing business after such an outrage. It cannot be said, therefore, that the transaction evidenced any desire by the British Government to exploit China in the interest of its nationals. Not only was the sum not an exaction but in fact it fell far short of a full indemnity so far as British interests were concerned.

Great Britain's Share

Turning to that part of China's secured indebtedness, represented by foreign loans amounting to £85,000,000 sterling of which Great Britain's share is £33,000,000, those contracted by China with British banks and financial syndicates have been of two main classes.

(1) Fiscal, i.e. loans for debt consolidation, such as those contracted in connexion with the War Indemnity due to Japan after the Sino-Japanese War of 1894-5, pending payment of which Japan held strategic points in China, and for the reorganization of Government finances in 1912-13 after the revolution 1911 which gave birth to the Chinese Republic.

(2) Industrial or productive, i.e. for the construction and development of Government-owned public enterprises such as railways.

In the outstanding British secured debt of £33,000,000, these classes are represented approximately in the following proportions:

Fiscal	{ War Indemnity 23 per cent.	} 60 per cent.
	{ Financial reorganization 37 per cent.	
Industrial, Railways, etc.	{ productive	} 40 per cent.

be an element of control exercised by the British personnel over the expenditure and earnings, sufficient at least to ensure that interest and sinking fund payments would be duly met.

For many years the results of these arrangements were satisfying. China, incapable of raising capital from Chinese sources, was furnished with long distance lines of railway well built and equipped with British material which carried an ever increasing volume of passenger and goods traffic and yielded net revenue not only amply sufficient to pay the interest and sinking fund charges due to the British bondholders but also handsome surpluses for the Chinese Government. These benefits China, unlike other similarly conditioned countries such as the South American Republics, obtained without parting with rights of possession or management in the general sense.

How this enormously valuable asset is being brought to ruin by the prostitution of the railways to the service of warring generals and to the destructive devices of local military authorities who, besides "milking" them mercilessly contribute actively to the demolition of the rolling stock and property generally, has been described in the third memorandum of this series.

Present State of Railway Loans

From our present point of view, that of the British bondholder, the result is that on one line after another the revenue is failing and the loan going into default. In the case of some of the earlier loans the railway itself including the permanent way, is actually mortgaged as security, but it is superfluous to say that in the prevailing condition of China the right to foreclose on the properties could only be exercised with the help of armed support.

A more practical consideration for the bondholders is their further guarantee under the loan contracts, consisting of the Government's pledge to pay from their general resources whenever the revenue of a particular railway should fail to provide for its loan charges. In some cases the Government revenue from certain taxes was also specifically pledged as supplementary security. On these guarantees the bondholders are now thrown back. The present state of the Central Government's finances and control of taxation is such that their only general sources available are the revenue from the Customs and Salt Gabelle. So far from meeting any part of the railway bondholders' claims from the Customs or Salt revenues the Government is regularly pledging the available surplus of these revenues to Chinese Banks for years ahead in order to raise fresh loans for the benefit of the military party which happens to control the capital.

Railway Loans and Tariff Revision

Formal and barren notes of protest to the Chinese Government are the only means whereby the British Government has found itself able to

Earlier Fiscal Loans

The earlier fiscal loans, and subsequently the Boxer Indemnity, were specifically secured on the only source of Chinese Government revenue then available for hypothecation, namely the Maritime Customs, which—since the great Taiping Rebellion in the middle of the 19th century—has been placed by the Chinese Government under the administration of an international service organized by the late Sir Robert Hart.

The efficiency of this service, staffed by Commissioners of Customs and subordinates of many nationalities in the various Treaty Ports, has enabled the Chinese Government to keep faith with bondholders of loans secured on this source of revenue; and so long as the collection and control of Customs revenue by these foreign employees of the Chinese Government is not interfered with there is no ground for questioning the safety of loans issued on this security. It may be added that in offering the Customs revenue as security for the loans mentioned above, the Chinese Government gave an undertaking in the contracts that the administration of the Customs Service should remain as constituted until the final repayment of the loans which is due to take place 17 years hence.

Crisp and Reorganization Loans

When the later fiscal loans were made after the Revolution of 1911 the Customs revenue, which had naturally suffered considerably from the disturbance of the country, was judged to be incapable of carrying further charges, or at least that it would have been unsafe to rely entirely upon it. A fresh source of revenue had to be tapped to provide security for the new loans. This was found in the Salt Gabelle, which for this purpose was re-organized by the Chinese Government with foreign assistance in the manner described in Memorandum No. 10. Under the efficient administration created by Sir Richard Dane the Gabelle produced a revenue exceeding all expectations and provided the Chinese Government with three times the amount needed for meeting the annual loan charges. But so large a proportion of this revenue is now being seized by provincial authorities and local military commanders (for a period in the Spring of the present year the remittance of revenue to Peking ceased altogether) that the loans solely dependent thereon have a very uncertain future.

As the British "secured" fiscal loans depend largely on the Chinese Customs revenue for their payment, it is well to correct a very common misapprehension to the effect that the Customs revenue is monopolized for the payment of China's foreign debts. The latest figures show that out of a net collection of about 90 million dollars per annum, about 40 million dollars are going to the service of the foreign, and 35 millions to the service of the domestic debt. Less than half of the net revenue is thus absorbed by the foreign loans.

Railway Loans

The industrial and productive loans are in a still worse plight. Their specific security is for the most part the earnings of the enterprise concerned. In the case of railways, while financiers of some of the other powers followed a policy of obtaining railway concessions, i. e., the privilege of constructing, owning and operating for their own profit railways in Chinese territory (e. g. the Russians and Japanese in Manchuria, the Germans in Shantung and the French in Yunnan), the British participation in railway development in China took the form of lending the necessary capital to the Chinese Government for constructing railways of its own. As China lacked railway experts (engineers, traffic managers or accountants) in the Western conception of the term, the British negotiators required, so far as possible, that qualified British employees should be engaged by China to fill these posts in the interests of efficiency and that until the loans were repaid they should support the bondholders' rights. If China's claim to be freed from the tariff disabilities which distinguish her from more highly developed nations are to receive satisfaction, it is a fair demand that she for her part should live up to international standards in the matter of paying regard to her contracts, and that her Government should accordingly address itself to the state of the railways and misappropriation of railway revenue and should make provision for supplying defaulted payments from the other resources given as collateral security.

Unsecured Foreign Obligations

Under this heading the figure mentioned has been £65 000,000 sterling, or perhaps a little under. There is no solid basis for calculation. Of this total the British share amounts to nearly £6,000,000 sterling a proportion of less than 10 per cent. If, therefore, it could be said of all these unsecured

loans that they were made without conscience for ulterior motives and in callous disregard of the true interests of China the extent of the British participation should not involve any large share of blame.

In point of fact, however, approximately one half of British unsecured claims are in respect of trading matters and principally represent indebtedness by the railways to British firms for the supply of railway material without which the railways would have found it difficult to be in efficient operation to-day. Their honest business character is well illustrated by the classification they received at the Tariff Conference where they were classified as commercial debts.

The balance, something rather over £3,000 000 is attributable to what are known as the Vickers and Marconi Loans.

Commercial Aviation and Wireless

After the Great War the Chinese Government professed a desire to embark upon a programme of commercial aviation and wireless telegraphy. The ease, however, with which commercial aeroplanes could be transformed into bombing machines caused the British Government to regard this matter with some distrust. But in face of the solemn assurance of the Chinese Government in days before militarism had reached its present proportions, there would have been no reason why a British firm should have been denied the opportunity of legitimate business, especially when another firm, Messrs. Handley Page had already sold six passenger machines, which were exploring aerial routes in the North of China.

In respect of these two loans, the Chinese Government issued Treasury Notes, which have assigned to them as security no specific revenues but possess the general undertaking of the Chinese Government to provide for interest and repayment.

The Vickers loan provided the Chinese Government with a quantity of commercial aeroplanes and other material for building up a system of government air services. Under the arrangements for the loan a picked staff of British pilots and mechanics under a distinguished officer of the Royal Air Force was sent from England to train and organize. Though hampered by much maladministration and by the disordered condition of the country they were achieving substantial results when the entire scheme was shattered by the seizure of the aeroplanes by two of the rival provincial leaders who, profiting by the impotence of the Government, took the machines by force from the hangars at Peking and converted them to military uses.

The case of the Marconi loan was similar. By means of this loan a chain of three high-power wireless telegraph stations between the capital and Kashgar in the most distant province of China was constructed by British engineers. Contrary to their advice, the Government required the first of the three stations to be erected at Urga in Mongolia. The result was fatal as the Chinese were shortly afterwards driven by the Russians out of Mongolia and the station, an essential link in the chain, was lost almost before its completion.

In this way, owing to the incompetency of the Government and its failure to hold its own, China, instead of finding herself equipped with much needed air and wireless communications, is left with practically nothing to show for the two loans amounting to some three million pounds sterling. The debt meanwhile remains, but the Government has defaulted on the loans for several years past and has made little or no attempt to keep faith with the bondholders. At the present time, the only visible hope of a resumption of payment lies in the plans for a general consolidation of Chinese Government unsecured debt with the help of revenue from the proposed increase of the Customs tariff.

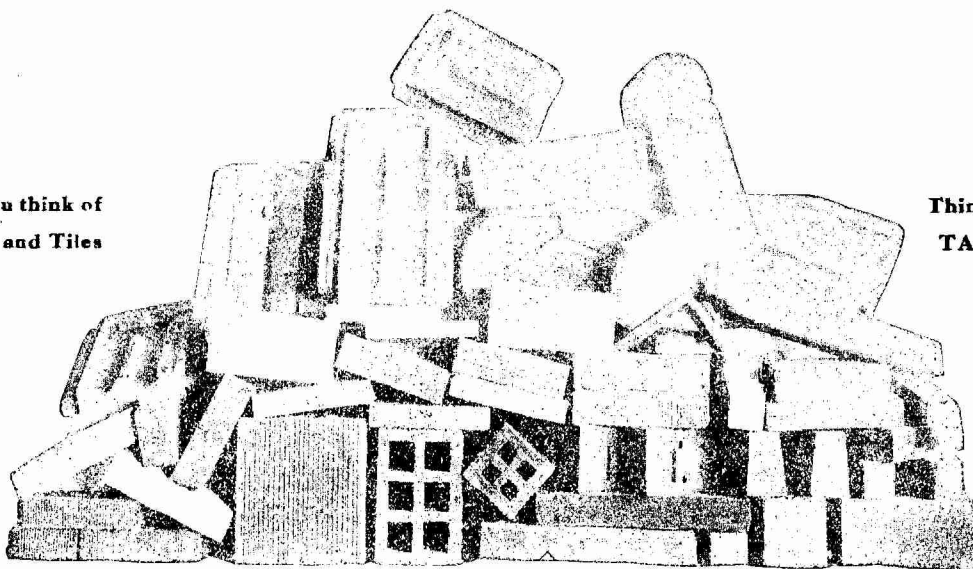
Conclusion

The foregoing analysis shows the very substantial value received by China under the British loan Agreements, value not only pecuniary but including years of service by a number of Englishmen who under the Agreements have worked as servants of the Chinese Government for the economic improvement of the country. Having borrowed no less than 50 million pounds of British money to pay off her war indemnity, recoup her finances after a revolution and equip herself with modern means of transport and communication, and having been supplied by British merchants with material for their maintenance, China, as represented by the succession of militarist-ridden Governments which have held office in Peking, is suspending payment on an ever increasing portion of the debt. Meanwhile the revenues which should be applied thereto are either vanishing through the misuse and destruction of the railways or are drifting into the hands of military commanders who dissipate them in insensate party wars.

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Senator Borah's Appeal for Justice for China

The following is a full report of an address delivered by Senator William E. Borah, chairman of the Foreign Relations Committee, dealing with the subject of justice for China, which was delivered before the National Council of Jewish Women, in Washington, D. C., on November 16.

YOU have asked me to speak to you tonight on the subject of peace. Ordinarily, this would call for a discussion of some theory, some elaborate scheme—on paper. I prefer, however, with your permission, to deal with some concrete thing—some challenging facts.

It is inevitable, I presume, that in dealing with the subject of peace we invade the realm of theory and of the ideal. But if we are to get results we can not wholly ignore conditions as we find them and as from time to time they exist. If nations having the power to do justice are unwilling to do justice, there will be no more peace in the future than there has been in the past.

I am going to say something of a situation which has in it all the elements of conflict, a situation which is to test the good faith and the sense of justice of great nations. Necessarily, on this particular occasion, limited in time, I can do no more than speak briefly and therefore in general terms.

The Hon. Silas H. Strawn, the able representative of the United States to the special conference of Chinese customs tariff, has said in a public address since his return that there is no government in China, that there is little hope for China unless, as I infer from his remarks, she finds a dictator of the type of Mussolini. He then states:

Says Government Is Lacking.

"The real trouble with China today is not that she is suffering from imperialism, from unequal treaties, from extraterritoriality, or from the lack of tariff autonomy; it is that there is no government but that dominated by war lords who have but two motives, greed and aggrandizement."

We are familiar with and are prone to discuss the present conditions in China. We are also familiar with, but not so prone to discuss, the policies which have contributed to these conditions. I do not see how we can deal successfully with that situation if we persist in ignoring the facts which have so materially contributed to the turmoil and strife, the dissension and the looting now going on in China.

A vast amount of light will be thrown upon the future if we give some consideration to the past. For years foreign powers have been closing in, as it were, upon China. Her natural wealth and the almost unlimited possibilities of commerce have been the great temptation.

Foreigners Control Cities.

In dealing with the problems which the Chinese situation now presents, we can not ignore the fact that more than 40 of her important cities and many of her great ports are now under foreign control.

What would be the possibilities as to peace and contentment, the possibilities of progress and development, in any country under such circumstances? Her natural resources are being partitioned and divided among outside powers. Her tariff duties are fixed by 13 different nations. These nations determine what tariff duty China may collect and determine what tariff duty she must pay them importing into these respective nations.

The Chinese have been permitted for years to enjoy but five per cent tariff rate on imports. There is not a nation, even professed free-trade nations, which could, or would, live under such a revenue law.

The foreigner in China is exempt from the administration of Chinese laws. War ships of foreign countries patrol her defenseless coast and foreign gun boats ply and police her rivers.

Says Children Are Exploited.

In foreign factories, the Chinese children work under circumstances and conditions and environments which human language is inadequate to describe, under rules as merciless as death. The child labor conditions in China, according to reports made by impartial investigators, stand out in hideous cruelty—an indefensible thing. China, in other words, is dominated in all matters which are essential to a nation's prosperity and growth by foreign powers.

In addition to this state of affairs, it will be remembered that specific demands have been made upon China, not only to give over her natural resources, but her sovereignty as a people. In this condition of affairs, you have the first great fact with which we must deal if we are to have peace in the Orient.

The second important fact is this—the spirit of nationalism is fast laying hold upon the hearts and minds of four hundred million people, not nationalism as it has always existed there, but nationalism as Western nations have practiced it and taught it. This is a fact which foreign powers are reluctant to admit and unwilling to accept.

Tells of "Battle Cry."

China for the Chinese has come to be the battle cry of that vast, seething sea of humanity. It is particularly, and especially, the cry of the young and coming generation.

The world at large has come to entertain some doubt as to just what the Allied and Associated Powers meant when they declared for self-determination and the right of all peoples to have their own form of government and live their own lives. We will not pause to discuss what they meant, or all they meant or seek to refine upon this old creed newly promulgated. But there were peoples all over the world who accepted this creed in all its breadth and depth and have been striving ever since in one way or another to come into the enjoyment of its uplifting and healing power. This message seemed to go out from the great nations to all humanity, regardless of faith or race, creed or color, and so it was received.

It is with this spirit, this holy passion, which the eager resolves of a sacrificial hour evoked and spread about with which we now have to deal.

Says It Will Not Down.

It will not down. It ought not to down. Some say that nationalism is a great evil, an obstacle to peace; others will tell you it is the foundation of a sound, sane and wholesome world fabric. We need not stop to philosophize. The fact is it is here, and must be reckoned with and respected.

We may write and sign treaties and devise schemes for world peace, but all these things may disappear in a night if there is buried beneath your structure of peace the inexplicable urge of a people "to live their own lives" in their own way.

This spirit of nationalism was augmented and stressed by the World War and it is today the most tremendous fact in the life of the Chinese people, a people who constitute one-fourth of the population of the earth and occupy an area larger than that of the United States. China is asking for the right of self-determination and they believe that the great obstacle to that realization is these encroachments upon their territory of which I have spoken, this attack upon her sovereignty which is now a matter of history.

Disturbances and conflicts and strife among themselves, of course, there are, and that is important. It will take some time for these things to run their course. But the Chinese problem at bottom is nationalism coming into the presence of imperialism.

What is the world going to do about it? What are those going to do about it who are most interested in China? Here is your test in the peace program.

Will we seek to adjust conditions through peaceful methods in doing justice, or will China be tantalized into desperate things and then the appeal to force?

Do not misunderstand me. I am not at this time seeking to put the blame here or there. Especially I do not wish to be understood as criticizing our own Government. But I do wish to say tonight that the nation which, under the circumstances now existing in China, invokes the brutal policy of force in China will be the deliberate assassin of justice in the Orient, for decades and decades.

Sees Change in Conditions.

It will dedicate that land to misery and bloodshed for years to come, and in the end it would settle nothing—force never does. The time has gone by in China when you can shoot down men as they did last July a year ago and see a nation bow like whipped slaves. We must recognize and deal with them as a great people. We must deal with them, insofar as we deal with them as a nation, upon terms of equality. We must deal with them in absolute justice to their own rights and to their right to live their own lives, and to possess and enjoy what in all justice is theirs as a people.

The policy of the United States toward China has been characterized by a fine consideration for the rights and aspirations of the Chinese people. We have universally respected the integrity of her territory. We have returned to her funds which, in technical right, we might have withheld. As a nation we have respected those things which a nation most cherishes. For this policy we are now in certain quarters being subjected to ridicule or serious criticism.

Critics Advise Force.

We are told that our policy means failure, that force must be accepted as the basic principle of a successful Orient.



Only Dodge Cars Are Practical in Wild Gobi

Dr. Roy Chapman Andrews, world-famous scientist, is now conducting his fourth expedition into the Gobi Desert in the north of China.

The Gobi Desert is wild, sandy, rocky and roadless—almost impassable, at many points, even to camels, to say nothing of motor cars.

On previous trips Dr. Andrews used various well known makes of cars including Dodges. *This year he is using Dodge cars exclusively—one of the most impressive tributes ever paid an automobile.*

"It is the only car that will stand the strain," said Dr. Andrews. "Last year our Dodge cars covered 5,000 roadless miles, without repairs, and at the end of the trip we sold them for more than they cost us. Dodges are now regularly run over desert roads from Kalgan to Urga, a distance of 700 miles. Their stamina is positively remarkable."

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tal policy—that force is the only thing they understand, and therefore the only thing they respect.

This is the old, cruel, brutal, imperialistic policy, the revolting creed which not only made possible but certain the World War. China may furnish the acid test of whether the world has been converted to justice as a basis of international dealing or whether it proposes to retain the barbarous creed of force.

It is within the power of the foreign nations to do justice, to do righteousness, to China and thus lead the way to peace. There is turmoil now in China, internal dissension. There could not well be anything else under policies which have obtained. But one thing we must bear in mind, and that is that there are strong indications that these internal dissensions may disappear before a program for national integrity and national independence.

The Chinese people have been deprived for years of means to sustain a government—they have been demoralized by demands for the breaking up of the nation, they have had fastened on them obsolete and unjust treaties, and they have had revolution which always means turmoil. But it would be dangerous to assume that these things may not be molded into one concerted national force through the dominating spirit of nationalism. I am one who believes that with fair and just treatment, with rights accorded to her to which every nation is entitled, with a clean unmistakable policy upon the part of the foreign nations, of help instead of exploitation, China can take her place among the strong and prosperous nations.

She will soon adjust her internal troubles. She has the manpower, she has the wealth, she has the territory, or should have, and instinctively and innately, they are law-abiding, frugal, industrious, home-loving people.

Let us not make any mistake, my friends, the national feeling in China will compel respect. Four hundred million people, imbued with the spirit of independence and of national integrity, are in the end invincible. There is no power which can master them or hold them in subjection. War ships and gatling guns and dead students may mislead some, but the forces which determine the actions of empires and great nations lie deeper.

Japanese Emperor Dies

His Imperial Majesty, Yoshito, the 123 Emperor of Japan, died on Dec. 25 following a long illness. He was born on August 31, 1879 and was the third son of the late Emperor Meiji and was proclaimed Crown Prince on Aug. 31, 1888 at the age of nine years. He was educated in the Peers School and in 1889 was made a sub-lieutenant in the army and Navy and decorated with the Grand Order of the Chrysanthemum. In 1892 he was made a lieutenant in the Army and Navy and was graduated from the Peers School in 1894 when he was promoted to a captaincy. In 1897 he was appointed to the House of Peers and the next year became a major in the Army and Navy. The same year he was married to Princess Sada-ko, who became Empress. In 1909 he visited Korea and succeeded to the Throne on July 30, 1912, the coronation ceremony being held on Nov. 10, 1915.

The Japanese Crown Prince, Hirohito, who now becomes Emperor was born on April 29, 1901, was educated similar to his father, but has had the additional experience of a trip to Europe, being the first Japanese ruler to visit a foreign country. He assumed the Regency on Nov. 25, 1921, following his European trip and was married on Jan. 26, 1924 to Princess Naga-ko.

Chicago, Milwaukee and St. Paul Railway Sold

The Chicago, Milwaukee and St. Paul Railway, connecting Seattle with the eastern part of the United States and long famous as the American railway operating the longest stretch of track by electricity, was sold at receivers sale at Butte, Montana, on Nov. 23 to Robert T. Swain and Donald C. Swatland, representing the New York banking house of Kuhn, Loeb and Company and the National City Company of New York, the purchase price being G. \$140,000,000. Immediately following the sale property was consigned to the Chicago, Milwaukee and Pacific Company, by which name the company will be known in the future. Steps will be taken immediately to reorganize the company and adjust the indebtedness of G. \$55,000,000 to the United States Government. The Chicago, Milwaukee and St. Paul Railway has been represented in Shanghai by F. O. Finn, general agent, who has had his office in the Dollar Building. Mr. Finn is returning shortly to the United States.

The Bolshevik Bogey in China

(From the London and China Express, London)

THE glib and persistent attribution of all the misfortunes which have befallen our commerce with China to Bolshevik influence is a phenomenon characteristic of the times. The conjectural conceit in question has pervaded public speeches and the daily newspapers with facile iteration; it has gathered momentum in its snowball course; and the gullible business world, made receptive by discontent at trade stagnation and vanished profits, has accepted the assumption without thought and without inquiry. To stem the tide at the present period of its running is perhaps impossible for two principal reasons: firstly, because the statement is rarely if ever supported by evidence, and simple contradiction makes no headway; and secondly, because the truth of the matter is so very distasteful.

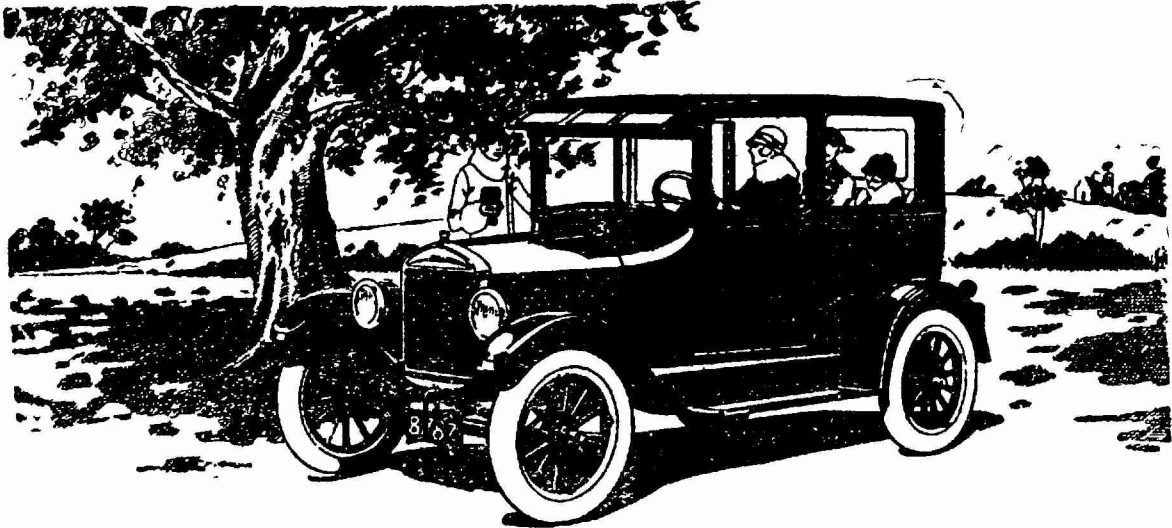
It is customary to associate Bolshevik activity in China partly with Karakhan, formerly Joffe, and the embassy in Peking, but more especially with Borodin and his group of technical advisers, civil and military, in Canton. Of Joffe be it said at the outset that he threw up his hands and his billet eighteen months ago, saying that neither Communism nor the Soviet system could be introduced in China because the Chinese were utterly incapable of assimilating the tenets of either. Karakhan, who has now fallen into disfavour and been given his *conge*, apart from his particular quarrel with the Manchurian authorities over the Chinese Eastern Railway question, appears to have had a whimsical and cynical manner of conducting his duties as Ambassador, and if his influence was in the direction of discrediting westerners in Chinese eyes, it was rather a natural reaction to the cold-shoulder extended to him by his diplomatic colleagues than to any serious anti-British or anti-foreign effort. Whatever dreams these successive Soviet envoys to Peking may have had when they set out from Moscow as to the inculcation of their newly-found doctrines in China, there can be no doubt that they themselves were the first to appreciate the futility of the trial. They had, however, other work before them, and especially the task of making a new treaty. At the Russian Revolution the Czarist treaties became automatically void, and the Russian Republic set itself to make new treaties with any nation willing to treat, amongst others with the Chinese Republic. Their early practices of massacre, pillage and repudiation, had failed to impress the Chinese with the horror such as surged over Europe in 1918. Perhaps those practices were too near akin to the usage prevalent in their own country. In any case China, for her part, preened with the result of "entering" a war against Germany and Austria, saw an opportunity to dispose of the special rights of yet another foreign Power, and was ready to negotiate. Small wonder is it, therefore, that upon signature of the new treaty a species of Russo-Chinese *entente* ensued. China required and Russia, unhampered by protocols and diplomatic understandings, was willing to provide, amongst other things, ammunition, drill sergeants, and, to a limited extent, money. To this was due some of the efficiency to which the Kuomintang army attained. I submit that to describe the temporary influence which Karakhan acquired outside of, but due to, the purveyance of these military commodities, as a "red menace," was and is—mania.

Of the stories of Bolshevik influence in the Yangtze ports, and particularly in Shanghai, it is difficult to speak with patience. There is an anarchist element in every city, and doubtless Shanghai is no exception. But what would be a mere matter of "filing for record" in the routine of an ordinary watchful police force, becomes in Shanghai, such is the state of fluttering credulity to which that Settlement has been reduced by its intransigent and alarmist Press, a full-dress Gunpowder Treason. Thus it is that a pack of rowdy schoolboys or a crowd of disgruntled mill-hands are flashed from Shanghai on to the World's screen as the coming of a Marxian millennium.

To learn the extent of the Bolshevik effort in South China we must turn to the account of Colonel L'Estrange Malone, British Labor M. P. Colonel Malone's report of his investigation will be read by all who are interested in Chinese affairs. Here it will be enough to quote his summary of the policy of the Union of Soviet Republics:—"If they count up the gains and losses of the past year or two, so far as the National movement is concerned, the Russians may claim a substantial balance on the credit side. The movement has been consolidated and pruned, methods have been tried and eliminated where faulty; most important of all a real

(Continued on page 128)

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Japanese Responsible for Decreasing British Trade in China

(British Chamber of Commerce Journal, Shanghai)

THE statistics given in this statement reveal a further heavy decrease in Great Britain's share of the piece goods trade and a corresponding increase in Japanese imports, the British percentage having fallen from 35.73% to 23.85% whilst Japan's has risen from 51.57% to 65.77%. A considerable proportion of this falling off in British imports of cotton goods must undoubtedly be attributed to the boycott agitation last year, but there seems to be no question that intense Japanese competition in this market has been partly responsible.

Although allowance must be made for the particularly unfavourable conditions existing in 1925 much pessimism exists amongst merchants here as to the future of the trade. Any improvement in the political situation in China will undoubtedly be followed by a general revival of business, but so far as cotton goods are concerned the consensus of opinion amongst local importers appears to be that the competition of Japanese and Chinese cloths is likely to increase rather than diminish, and that only in the finer qualities can Lancashire hope to hold her own in the Chinese market.

Gross Imports of Cotton Piece Goods into China during the year 1925 from Great Britain and Japan respectively.

	Great Britain Hk. Tls.	Japan Hk. Tls.	Total from all countries Hk. Tls.
Shirtings and Sheetings, Grey.....	2,456,613	17,239,743	22,772,524
Drills and Jeans, Grey.....	322,855	11,065,576	12,235,185
T-cloths, Grey.....	104,425	1,209,674	1,634,051
Imitation Native Cotton cloth, Grey...	—	6,145,570	6,196,043
Flannelette, Grey.....	—	1,047,204	1,222,358
Shirtings and Sheetings, White.....	12,936,321	7,718,997	22,394,145
White Irishes.....	63,750	—	64,030
Drills and Jeans, White.....	14,934	338,084	460,733
T-cloths, White and Mexicans.....	242,962	120,013	377,592
Dimities, Piques, Vestings, etc.....	5,380	1,955	11,736
Cambrics, Lawns, etc.....	782,235	33,624	1,265,992
Brocades and Shirtings, striped, etc....	1,401,485	73,478	2,844,448
Lenos, White or Dyed.....	104,058	145	205,143
Leno Brocades, White or Dyed.....	77,779	71	118,318
Shirtings and Sheetings, Dyed, Plain...	5,030	1,581,042	1,867,060
Pongees, Dyed, Plain.....	31,938	783,915	969,782
Drills and Jeans, Dyed, Plain.....	179,379	8,194,068	9,006,296
Turkey Reds.....	245,881	2,355,151	2,702,541
Mercerised Crimps.....	479,295	668	515,061
Oatmeal Crapes.....	43,967	26,587	88,183
Cotton Crapes.....	22,011	163,749	235,478
Lastings.....	476,842	2,067,347	3,785,178
Sateens, Italians and imitation Venetians	5,125,469	1,152,999	6,790,774
Tintain Twills.....	1,024,453	304,945	1,358,119
Beatrice Twills.....	143,654	199,028	470,770
Diagonal Twills and Serges.....	11,089	1,310,290	1,496,932
Herringbone Twills.....	44,789	572,682	764,000
Ribs, Cords, Repps, and Moreens.....	21,803	35,025	81,840
Sateen Drills.....	40,357	13,946,390	14,256,954
Warp-faced Sateens.....	825,475	28,592	865,325
Sateen Stripes.....	30,990	9,469	43,749
Poplins and Poplin Taffetas.....	376,616	979,996	1,748,467
Venetians.....	1,791,845	231,038	2,169,008
Flannelette, White, Dyed, or Printed...	1,830	2,299,216	3,643,104
Flannelette, Reversible prints.....	4,726	733,728	745,230
Flannelette, Yarn-dyed.....	10,124	544,890	639,424
Cotton Spanish Stripes, Dyed.....	4,057	304	20,358
Velvets and Velveteens, Dyed, Plain...	722,860	230,220	1,027,493
Velvets, printed, figured etc.....	67,631	216,566	299,621
Cotton Piece Goods, Grey, Tyed etc., unclassified.....	518,336	3,816,827	5,025,903
Printed Cambrics, Lawns, etc.....	1,476,788	5,946,304	8,169,175
Printed Drills, etc.....	164,955	1,954,631	2,228,830
Printed Oatmeal Crapes and Cretonnes	78,633	2,916	84,942
Printed Turkey Reds.....	—	22,010	22,010
Printed Lenos.....	7,120	402	7,704
Printed Sateens, etc.....	1,095,783	1,065,911	2,257,002
Printed Brocades.....	49,044	320	56,458
Printed Herringbones.....	—	30,320	31,080
Printed Sateen Drills.....	—	1,565,370	1,569,921
Reversible Prints (one colour).....	17,304	38,681	60,196
Domestic cretonnes, etc.....	108,064	35,554	165,269
Cotton Piece Goods, Printed, (unclassified).....	150,037	219,074	569,592

Cotton Piece Goods, Yarn-dyed (unclassified)	1,863,138	995,552	3,339,158
	35,774,110	98,655,911	149,980,285

Great Britain's percentage:—23.85; Japan's percentage:—65.77

Note—The above table includes all items included in the Customs Returns under the heading "Cotton Piece Goods" with the exception of Canvas, Stockinet, and Chinese Cotton cloth (Nankeens).

WOOLLEN AND COTTON UNIONS, AND WOOLLENS.

	1924 Great Britain Value Hk. Tls.	Total Value Hk. Tls.	1925 Great Britain Value Hk. Tls.	Total Value Hk. Tls.
Alpacas, Lustres, Orleans Sicilians, & Florentines	2,484,464	2,977,361	2,544,513	2,793,428
Blankets and Rugs (Wool and Cotton)	108,309	709,853	73,292	383,243
Cloth made from re-manu- factured wool & cotton	935,313	2,850,276	742,550	1,787,377
Union Shirtings.....	13,530	149,933	7,708	38,945
Viyella and Clydella.....	43,695	43,695	64,045	64,045
Wool and Cotton Unions (unclassified).....	3,778,359	4,786,341	1,816,464	2,869,230
Blankets and Rugs (Wool)	69,160	549,097	43,381	239,162
Bunting	14,382	20,196	20,159	23,625
Camlets	40,038	125,649	37,184	86,582
Flannel	18,509	171,995	15,037	95,955
Lastings	139,257	230,621	98,617	136,878
Llama Braid	—	37,695	—	30,497
Long Ellis	57,972	93,025	66,993	76,475
Serges, Twills, Imperials and Gabardines	1,035,957	2,214,545	2,407,237	4,852,855
Spanish Stripes.....	5,774	10,164	10,198	12,600
Tweeds, Homespuns, and Overcoatings.....	1,814,423	2,281,456	1,322,727	1,646,525
Venetians	2,368,972	2,623,684	1,593,588	1,891,898
Vicunas, Beavers, Mel- tons, Broadcloth and Superfine, Medium and Habit Cloth	43,284	489,515	19,515	384,963
Worsted Suitings	971,974	1,926,714	727,998	1,194,013
Wool and Woollen Goods, not otherwise classed...	2,198,288	3,044,272	622,517	1,163,907
	16,141,660	25,336,113	12,233,723	19,772,203

Great Britain's percentage of trade:—1924—63.71; 1925—61.87.

IMPORTS OF WOOLLEN GOODS AND WOOL AND COTTON UNIONS INTO CHINA.

	1912 Great Britain Value Hk. Tls.	Total Value Hk. Tls.	1913 Great Britain Value Hk. Tls.	Total Value Hk. Tls.
Alpacas, Lustres and Orleans.....	155,387	211,625	110,229	197,004
Union and Poncho Cloth	828,202	1,027,821	988,601	1,148,599
Union Italian Cloth.....	27,458	30,298	11,489	14,227
Woollen and Cotton Flannel.....	13,522	46,692	4,090	78,453
Woollen and Cotton Mixtures (unclassified)	1,839,726	2,692,815	1,202,089	2,039,677
Blankets and Rugs.....	45,312	515,865	85,236	634,872
Bunting	11,369	14,527	6,947	11,009
Camlets	110,254	235,193	91,353	230,137
Cloth, Broad, Medium etc.....	16,170	481,268	29,142	556,263
Woollen Flannel.....	5,281	31,322	6,213	35,843
Woollen Lastings.....	253,564	286,766	331,990	407,098
Long Ellis	116,595	230,569	132,611	292,435
Woollen Spanish Stripes..	59,654	120,391	66,602	149,930
Woollen Goods, (un- classified).....	387,391	1,079,429	424,164	1,119,599
	3,869,885	7,004,581	3,490,756	6,915,116

Great Britain's percentages of trade:—1912—55.24; 1913—50.48.

Chinese Jade Smugglers Arrested in San Francisco

Two Chinese merchants, Ng Kay Foo and Juong Kay, supposed to be from Shanghai, were arrested in San Francisco on December 17 charged with smuggling jade stones into the United States. According to the report, the U. S. Customs authorities have been mystified for some time by the large quantities of jade appearing on the San Francisco market at prices approximately the same as Shanghai. Investigation disclosed the fact that a regular smuggling enterprise has been in existence for some time, the smuggling being effected by Chinese merchants who traveled back and forth between Shanghai and San Francisco. The two men arrested had jade valued at G. \$10,000 concealed in their clothing.



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America's Tobacco Trade in China Grows

BY GEO W. MISSEMER

THE facts are established that cigarette smoking is on the increase in China and that the supply of tobacco to China is a distinctively American business. The so-called Egyptian cigarettes, which are not made from Egyptian tobacco at all, as practically no tobacco is raised in that country, although considerably in evidence among foreign cigarette smokers, are a negligible item in the tobacco trade of China.

As is well known, several large British and American tobacco companies supply the greater part of the huge quantity of cigarettes smoked in China, many millions of them being imported, and more millions being manufactured in splendidly equipped factories in this country.

This profitable cigarette manufacturing business already for a decade has been engaged in by Chinese capitalists, and the May 30 outbreak of last year, with the incidental boycott of the foreign produced cigarettes, gave the Chinese manufacturers an additional opportunity to enter the market. As a result, last year there was a very considerable accretion to the number of Chinese factories. Many of them were, however, mushroom affairs, their prosperity coming to an end as soon as the intensity of the boycott began to wane. The net result of the May 30 affair, however, has been that many substantial Chinese cigarette manufacturing companies are now in the field, and they have become important buyers of American tobacco. Numerous representatives of American leaf tobacco companies are at present established in Shanghai and from all reports they are doing an increasing business, despite a considerable increase in the price of leaf.

The writer is indebted to J. F. Malone, export sales manager for several American tobacco companies, of which the Cobb-Gwynn Co., of Richmond, Virginia, and Dixon Buchan of Mullins, S. C., are the most important, for various details of the tobacco business. Although there are hundreds of different grades of tobacco recognized in the tobacco trade, three types stand out prominently, namely the burley type, grown mainly in Kentucky, the heavy cigar type, grown in Pennsylvania and Connecticut, and the bright type (the kind that is exported to China) grown mainly in North Carolina. The Italians were for years the main buyers of the burley type of tobacco, but since the Mussolini regime that business has dwindled to insignificant proportions.

The North Carolina farmers make their living mostly out of tobacco and cotton. This year, although cotton prices are way down, the loss in that direction is largely made up by the increased prices which they receive for tobacco.

Cigarette tobacco for China is imported in hogsheads containing about a thousand pounds each, the principal port of shipment to the Far East being Newport News, Va. There are fifty to sixty grades, and an average price for the grades mostly brought to China is something over two hundred dollars gold per hogshead. Incidentally it may be stated that the American tobacco farmer is carrying a huge internal revenue burden, that is, indirectly. This tax does not touch tobacco exported abroad, and the result is that American cigarettes, whether made in the United States or locally, are sold much cheaper here than at home. In the United States there is a six cent revenue stamp on each package of 20 cigarettes, and as about three pounds of tobacco will make a thousand cigarettes, the cigarette smoker and the farmer between them pay about a dollar a pound to Uncle Sam's exchequer. North Carolina, as a result, contributes almost half of the total internal revenue of the United States (not counting income tax).

China imports from the United States about one hundred million pounds of tobacco yearly, and in addition to the raw tobacco, cigarettes made in America are imported yearly to a value of from ten to fifteen million gold dollars. Indications are, however, that the importation of cigarettes is decreasing and that the import of tobacco leaf is increasing. Large as is America's export of bright type tobacco to China the export to Great Britain is still larger.

The American tobacco companies, from the start of the tobacco industry, took a broad view of things. It was realized from the beginning that eventually China would become master in its own house and that in due course the scepter that guides the hand of Lady Nicotine would be wielded by the Chinese people themselves. The Chinese were therefore initiated into the art of growing tobacco by modern methods, seed of the proper type being furnished. The result is that all over Shantung and Honan large areas are devoted to tobacco of the cigarette type, and while no accurate estimate is possible, it is safe to say that China is

England's Greatest Editor Now 80 Years of Age

In view of recent liberal editorial comment pertaining to British policy toward China which has appeared in the Manchester Guardian, the following article regarding the editor of the Guardian is of especial interest. The article appeared in the Editor and Publisher, N. Y., and was written by J. Fred Essary, London Correspondent of the Baltimore Sun.

IT may seem an anomaly that the most potential and influential figure in contemporary English journalism should be the editor of a provincial daily newspaper with a circulation of less than 100,000 and making no pretense to "metropolitanism." But it is a fact, recognized far and wide that C. P. Scott of the *Manchester Guardian* is the liberal leader of his profession in the British Empire and is perhaps the foremost master of his craft in the world today.

This veteran journalist has just attained his 80th birthday and in celebration of that event distinguished subscribers from three continents united in the presentation of his bust, by Epstein to the city of Manchester, a presentation conducted, moreover, by Lord Derby, a leader of the Conservative Party in England, against the policies of which Mr. Scott has volleyed for 45 years.

The influence of this liberal journalist upon the thought of his country dates back more than half a century when he assumed the editorship of the *Guardian* and began drawing about him a group of brilliant writers who gave to the manufacturing city of Manchester a newspaper as virile, as clean, militant and as consistently progressive as any printed in the English language. And it is said of him that he has personally selected every member of his staff from that day to this.

Happily he has lived to see many of the major reforms which he has championed accepted by his countrymen, notably home rule for Ireland and equal suffrage for women. But his convictions as often led him into foul weather as into fair. In 1899 he committed his paper to an uncompromising opposition to the second Boer War, a step so unpopular as to all but dash him and the *Guardian* upon the rocks. His circulation and advertising almost vanished and his paper was reviled as no other had ever been upon this island.

It was during that period when with his revenues at their lowest ebb, with many of his friends shunning him and when it seemed that his ruin must inevitably follow, it was then that the quality of his character showed finest. A group of South African magnates called upon him and offered him what was then a fabulous price for his paper, the purpose being to silence it. Scott's only answer was to point to the door!

Perhaps the most remarkable tribute ever paid him was the proposal in the course of the late general strike that he

(Continued on page 128)

at present growing 100 million pounds of this tobacco annually. Incidentally it may be mentioned that America's annual production is about 550 million pounds of cigarette and smoking tobacco types.

Another bit of evidence that the large foreign tobacco companies are taking a long view of things is found in the fact that one of the largest of them has during the past year or two laid itself out to induce prominent and wealthy Chinese to take a large financial interest in the concern, in fact so large that if any untoward events should occur to cut the profits of the company the Chinese loss would probably be as great as the foreign. Doubtless, in due course, when China controls her own Customs, steps may be taken to create a tobacco monopoly. That usually means that the public will get a poor product and pay excessive prices. But it would prove a wonderful source of revenue to a country which is so urgently in need of money as China is. The wonderfully efficient organizations which the foreign companies have built would prove an excellent nucleus for the foundation of such a monopoly, and it is a matter of likelihood that in years to come such a transformation might take place. Against this possibility, however, must be set the fact that private industry is becoming firmly established and hence will strenuously oppose government monopoly.

It may not be generally realized by the public that while China is a very heavy buyer of tobacco from abroad, principally as noted above, from the United States, this country is also developing an export tobacco trade of growing proportions. Egyptian cigarettes these days to the extent of thirty per cent of the output are made from tobacco grown in China, mostly in the Kwantung district. About half a million gold dollars worth of Chinese tobacco was exported to Egypt last year.



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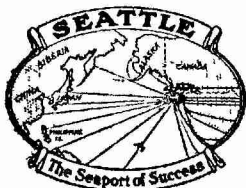
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England's Greatest Editor

(Continued from page 126)

come down to London and mediate between the strikers and the Government. He was the one man in all the Kingdom trusted equally by labor, on the one hand, whose battles he had so often fought, and by the conservative elements, on the other, who knew the measure of his patriotism and the inherent fairness and squareness of his judgments. As it happened the strike collapsed before it became necessary to enlist the conciliatory services of the great editor.

When Woodrow Wilson visited England in 1918 just before the opening of the Peace Conference, he paid a visit to Manchester. While there he invited Scott to see him. They were closeted together for perhaps two hours. As the President was crossing the Channel on his return to France he told a group of correspondents in the writer's presence, the "the most interesting man whom I have met in England was Scott of the Guardian."

Eight years later it was my pleasure to spend an evening in Mr. Scott's company. I found him living as much in the world of today as any young journalist in Fleet Street. His vibrant mind was absorbed in the problems of the present and in the possibilities of the future. He could not be persuaded to reminisce upon the great measures or the great personalities with which his long and captivating career has been intimately, even historically, associated.

Mr. Scott is a man of medium height. It is the splendid head above his slightly drooping shoulders that fascinates the observer. Every feature of his face is finely chiseled. He has the brow of a "Michelangelo prophets," to borrow a phrase from one of his admirers, and eyes really remarkable for their fire, a fire which age has not obscured. His carefully groomed snow-white beard gives the whole a patriarchal picturesqueness and it is easy to believe that the daring Epstein revelled in the opportunity to reproduce such a face in bronze.

Unlike most members of his staff Mr. Scott has never published a book and cannot be induced even to write his memoirs. Only on rare occasions has he put aside the anonymity which is characteristic of the paper that his light might shine before all men. One such occasion was the centenary issue of the Guardian a few years ago when he outlined those articles of journalistic faith which have guided his long course. Here is a passage from that declaration worthy to long out-live the hand that penned it:

"A newspaper is of necessity something of a monopoly and its first duty is to shun the temptations of a monopoly. Its primary office is the gathering of the news. At the peril of its soul it must see that the supply is not tainted. Neither in what it gives nor in what it does not give, not in the mode of presentation, must the unclouded face of truth suffer wrong. Comment is free, but facts are sacred."

The Bolshevik Bogey in China

(Continued from page 122)

army has been built up, which is acknowledged by foes as well as friends to be the best disciplined army that China has ever known, and has recently had phenomenal successes, and captured the tremendously important centre of Hankow. Finally, in Canton, the Kuomintang have established a real progressive Government and are gaining experience in governing which they may one day apply to the whole of China. So that even if tracts of country are still devastated by ex-bandits such as Chang or by Wu, and thousands rendered homeless, China is better off to-day and nearer to a solution of her evils, than she was before the Russians came."

For our loss of status in China, for the bitterness we have engendered, we have not to look up to the stars—our own or Bolshevik; the fault lies in ourselves. We assume: we are supercilious:—with the thoughtlessness of our forefathers but with little of their distinction,—their tang but not their tone. Moreover, the new generation in China, slowly becoming emancipated from the traditions of their long past, no longer unlettered in our western sense, fuller as yet of criticism of western defects than of appreciation of western worth, is not prepared to sit down under slights and restrictions,—is not prepared to accept the rifle and the six-inch gun as a retort. I must, for my sins, take the risk of the imputation that what follows is the view of an armchair critic, but I am convinced that the origin as well as the intensification of what is described as anti-British feeling in China rests to a great extent on the miscellaneous shooting at Shanghai, Shameen and Wanhien. At Shanghai they used point blank volleys where truncheons should have sufficed. At Shameen there is still doubt as to who fired the first shot; the defence is slender in either case. Any knowledge of the class of weal which a six-inch shell would lay across the back of the little town of Wanhien is calculated to alienate friendly feelings from England for a century.

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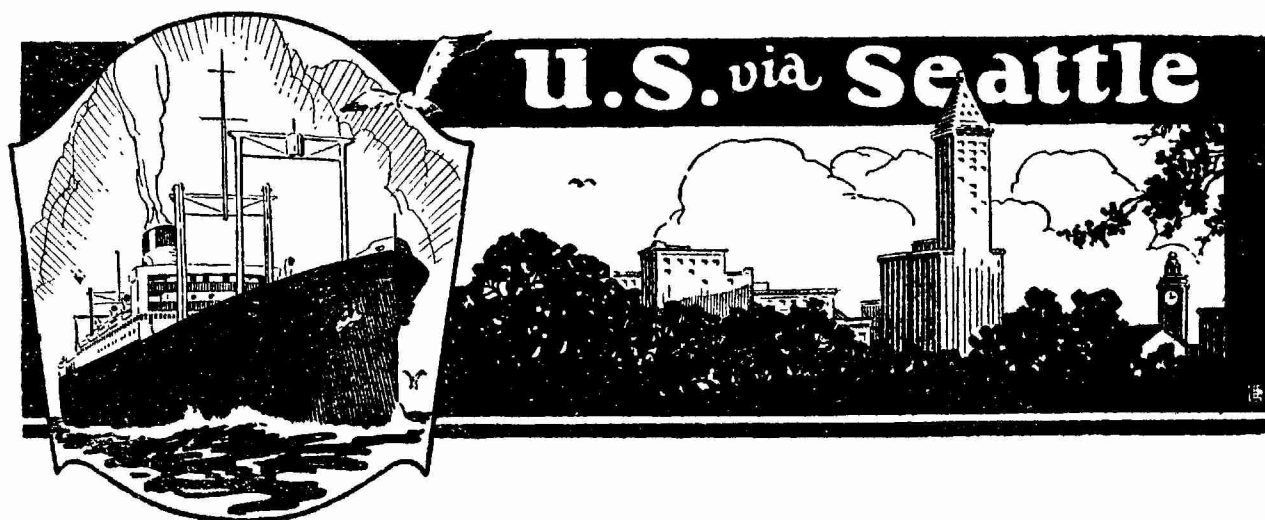
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Britain Recommends Change in China Policy

THE British Government on Sunday, Dec. 26 made public the official text of a Note which had been handed to the Peking Diplomatic Corps several days previously, which recommended fundamental changes in the policy of the Powers toward China. The Note, after reviewing the work of the Washington Conference and efforts there made to improve the treaty relations of the Powers and China, expresses regret that the Special Conference provided in the Washington agreements was delayed for a period of four years (due to the failure of France to ratify the Treaties) during which time conditions in China became worse owing to the process of 'disintegration, civil-war, and waning of central governmental authority.'

Owing to the disturbed conditions in China when the Special Conference finally met, states the British Note, it was impossible to accomplish anything 'because there was no longer a Government with whom to negotiate.' The Commission on Extraterritoriality, also authorized at Washington, did complete its work, but here again conditions prevailing in China prevented the carrying out of reforms in China's legal and judicial system, which the report recommended.

Conditions Different from 1921

The Note then analyzes conditions now existing in China stating that the situation which exists today is entirely different from that which faced the Powers at the time the Washington Treaties were drafted. The political disintegration which has developed in China has, however, been accompanied by a powerful nationalist movement which aims at gaining for China an equal place among the nations, hence 'any failure to meet this movement with sympathy and understanding would not respond to the real intentions of the Powers toward China.'

Therefore, according to the British Government, it is necessary for the Powers to issue a statement setting forth the essential facts of the situation and to declare their readiness to negotiate with China on the subject of treaty revision 'just as soon as the Chinese themselves have constituted a government.'

Ready to Go As Far As Possible

The British Government thus recommends that the Powers should immediately make it clear that they are prepared to go 'as far as possible in meeting the legitimate aspirations of the Chinese people and should abandon the idea that the economic and political development of China can only be secured under foreign tutelage and should declare their recognition of her right to enjoy tariff autonomy as soon as China has herself adopted a national tariff law. They should expressly disclaim any intention of forcing foreign control upon an unwilling China and should recognize the essential justice of China's claim for treaty revision—and should modify their traditional attitude of rigid insistence on strict letter of treaty rights. During the possibly prolonged period of uncertainty the Powers should adopt an expectant attitude and endeavor so far as possible to promote development in conformity with the realities of the situation so that ultimately when treaty revision becomes possible, it will be found that part at least of the revision has already been accomplished on satisfactory lines. Therefore it is recommended that the policy of protesting over petty occurrences should be abandoned and diplomatic protests be reserved for major matters when vital interests are at stake.

Tariff and Extraterritoriality

In reference to the question of the Customs surtaxes recommended at the Washington Conference, the British Government recommends that the 2½ percent surtaxes be immediately granted and that the disposition of the funds be left to the Chinese authorities and that the money be not deposited in foreign banks and furthermore, that the question of defaulted debts be disassociated from the Customs surtaxes and that customs increases be not made contingent upon debt consolidation or even likin abolition. It is also recommended that no effort be made to further extend foreign supervision over the Chinese fiscal system. The specific paragraphs referring to the Customs surtaxes follow:

"Owing to the collapse of the Conference no action on this proposal was possible. The situation, however, suddenly developed in the very direction in which anticipated when the proposal was made. The Cantonese did in fact seize the Washington surtaxes by levying in defiance of treaties, certain additional taxes on the foreign trade of the port. H. M. Government have with much reluctance joined a protest against the new taxes for the sake of maintaining solidarity with the Powers, but they are not satisfied that

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this is the right policy for the present situation. They regret that they did not more insistently press their views at an earlier stage of the Conference, but they think that it is still not too late despite the protest already made to return to the alternative course proposed in their memorandum of May 28. H. M. Government therefore strongly urge that the Powers should now authorize the levy of Washington surtaxes unconditionally throughout China. They hope that this may provide a basis for regularizing the position at Canton.

"The principal objection that will probably be made to this proposal is that in strict logic it would amount to condoning a breach of treaty. This argument however does not sufficiently take into account the realities of the situation. The basic facts of the present situation are that treaties are now admittedly in many respects out of date and that in any attempt to secure revision the Chinese are confronted on the one hand with the internal difficulty of their own disunion and on the other hand with the external difficulty of obtaining unanimous concurrence of the Powers. The latest instance of this is the failure of the attempt to alter the tariff of 1858. H. M. Government attach the greatest importance to the sanctity of treaties but they believe that this principle may best be maintained by a sympathetic adjustment of treaty rights to the equitable claims of the Chinese. Protests should be reserved for cases where there is an attempt at wholesale repudiation of treaty obligations or an attack upon legitimate and vital interests of foreigners in China and in these cases protests should be made effective by united action of the Powers."

Disavows Action of British Delegation

Perhaps the most interesting part of the British Note is included in an "Annex" which is attached, which to all practical effects, disavows the action of the British Delegation to the Special Tariff Conference in abandoning the negotiations at Peking. It seems that the American Government, following the break-up of the Conference, made inquiry of the British Government regarding its intentions in respect to revising the Chinese tariff. In reply to this inquiry from the American Government, the British Government places chief blame for the failure of the Conference to accomplish anything upon the attempt to combine the question of debt consolidation with the tariff increase, a policy which has now been thrown overboard, according to the new British recommendations. The concluding paragraph of the Note is as follows:

"Any failure to implement the Washington Treaty might create a very dangerous situation and H. M. Government now therefore hold the view that if any reasonable assurances are given by the Chinese Government as to the use which it proposes to make of the new revenue the Powers should accept such assurances, abstain from any attempt to impose control or exact guarantees and forthwith authorize the levy of the surtaxes. They feel confident that a policy so closely in accord with the friendliness and generosity always displayed by the U. S. of America towards the people of China will receive the full and cordial support of the United States Government."

Chapman Receives Sentence of Three and Half Years

Wm. A. Chapman, former clerk of the U. S. Court for China, was sentenced to prison for three and a half years by Judge Milton D. Purdy of the U. S. Court for China on Tuesday, Dec. 28. The prison term will be served at McNeil's Island, state penitentiary of Washington. Mr. Chapman was arrested at Seattle several months ago charged with the embezzlement of G. \$15,000 of the funds of the U. S. Court which was in his keeping. He attempted to fight extradition to China, but finally decided to return to Shanghai and accept sentence. Mr. Chapman whose home is in Cincinnati, came to the Orient some 20 years ago with the U. S. Army in the Philippines. He served as private secretary to General Pershing in Zamboanga and upon his release from the army came to Shanghai where he was employed with the British American Tobacco Company and as secretary of the American Chamber of Commerce, following which he was appointed Clerk of the U. S. Court. He will leave Shanghai on the President Jefferson, sailing Jan. 2 for Seattle.

Lawrence Impey, who has been correspondent in Peking for *The China Weekly Review* and other newspapers, has returned to China after a trip of several months, most of which he spent in Great Britain and on the Continent. While in Europe Mr. Impey attended the last session of the Assembly of the League of Nations at Geneva.

The strike of Chinese employes of the China General Omnibus Company, which tied up all of the busses for two days this week, has been settled. The strike was caused by a French official of the company firing several shots in connection with the suppression of a mob. The employes demanded that the Frenchman be arrested and prosecuted as a condition for resuming work.

News from Central China

All coolies employed by the French Municipal Administration at Hankow went on strike on Dec. 18. The usual long list of demands were presented to the Municipality and were rejected.

A dinner was given on the evening of Dec. 18 at the Terminus Hotel Hankow in honor of Madame Sun Yat-sen, Minister T. V. Soong, Minister Sun Fo, Minister and Mrs. Hsu Chien by the leading Christians in Wuhan, namely Bishop L. H. Roots, Mr. A. M. Guttery, Rev. T. K. Hu, Rev. S. C. Huang, Archdeacon Hu and others. The object of the gathering was for discussing the problems that the Christians in Central China are at present facing under the new Regime. E. E. Bennet, of the Committee of the National Y. M. C. A. at Shanghai who is in Hankow for a few days, also attended the dinner.

A mass meeting was held at Wuchang on Dec. 19 in order to make the name of the Association of Peasants, Workmen, Merchants and Students for the Overthrow of the British more widely known. At this meeting subscriptions were invited and as an incentive a roll of honour was initiated on which the names of subscribers of sums of over \$5 were inscribed.

On Friday Dec. 17 there was again witnessed the navy manning sand bags along the British Concession boundaries. In the afternoon a large number of troops from the 7th. Cantonese Army arrived in port by the s. s. "Changwo" and these disembarking in the Special District Administration found the quickest way to the Chinese city through the British Concession. For a time the concession streets were crowded with armed troops and seeing that the Chinese authorities were making no attempt to stop the ingress the British naval authorities, thought it best to man the barricades along the Kaishen Road and divert the stream to the back roads. This was done without any trouble and the squads were recalled shortly before eight o'clock in the evening.

A meeting concerning the Anti-British and Anti-Fengtien Movement held in Han-yang on Thursday, Dec. 16 is said to have been represented by over 150 different organizations. Reports and speeches regarding the propaganda work of these parties were delivered and the following are some of the decisions made:—"Let each of the organizations present try to form a propaganda corps by means of which the civilians in Han-yang may be well acquainted with the

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insulting tactics of the British Imperialists in enticing the Fengtien troops southward. Let subscriptions be made for the relief of the members of the British Cigarette Co. workers who are now out of work. Let telegrams be addressed to the Labour Unions, Liberal Parties, etc., in England, informing them of the movement towards self-dependence carried on by the Chinese civilians and at the same time requesting them to render a helping hand in cancelling the gunboat policy adopted by the government."

The strike at the Jardine godowns, which tied up the local shipping of the Company for two days came to an end Tuesday morning, an agreement having been reached with the staffs and coolies. The strike spread to the Butterfield and Swire godowns Tuesday but was short-lived, as a settlement was reached in the afternoon. The men walked out Tuesday morning, but resumed their work Wednesday. It is interesting to learn that the trouble was prevented from lasting long on account of the wharf coolies objections to the strike, as the walk-out of the godown men had rendered them idle also. They held a meeting and decided to use their influence in bringing the trouble to an early end. Following this decision, the coolies broke up the line of pickets and beat up those who were outside Butterfield and Swire buildings.

What was undoubtedly the greatest crowd of people ever gathered for any single celebration in the history of Hankow, assembled last Saturday Dec. 11, at the open ground on the Tsi Sen Maloo, behind the water tower in the Chinese city of Hankow. The purpose of the gathering was to greet the newly arrived officials of the Nationalist Government. The meeting opened at eleven o'clock in the morning, and lasted until four in the afternoon. There were three speakers' stands, one where addresses were made to laborers, one to students, and the main platform surrounded by clerks and merchants. On the main platform erected at the center of the field were M. Borodin, Russian Adviser to the Nationalist Government, Madame Sun Yat-sen, Mr. Hsu Chien, Minister of Justice, Mr. Eugene Chen, Minister of Foreign Affairs, Mr. T. V. Soong, Minister of Finance and many other prominent members of the government. All the Revolutionary leaders on the platform addressed the monster gathering.

An amusing feature of the British Cigarette Company's strike is the section which has not struck. It is not generally known that the British Cigarette Co. and the British American Tobacco Co. maintain good schools and employ first class tutors for the children of their workmen, during the whole of the strike these schools have continued to function and there seems to be no desire on the part of the pupils to strike or the parents to take their children away.

Hankow continues to grow more important every moment. Newspaper correspondents generally show which way the political wind blows, and at present there are four visitors representing foreign newspapers visiting this city. We have Sir Percival Phillips, of the *London Daily Mail*; Mr. David Fraser, of the *London Times*, who is accompanied by Mrs. Fraser; Mr. Charles Dailey, of the *Chicago Tribune*, who arrived here early and was present during the entire Nationalist campaign; and had until a few days ago, when he sailed for Shanghai, Mr. George Sokolsky, of the *London Express* and *North China Daily News*, Shanghai and Mr. William Prohme, of the *Canton Gazette* who will stay at Hankow for some time. With Wuhan as the capital of the Nationalist Government, Hankow has become the news center of the Far East for the entire world.

Three Chinese, two Cantonese and one Hupehese, were shot to death here for having attempted robbery while impersonating members of the Nationalist Army. One of them was dressed in the uniform, and the other two wore civilian clothes. They were shot directly outside of the German Cemetery, opposite the Special Administrative District Police Station, by a squad of soldiers. Pistols were used in the work of execution, which were not fired at close range, and the work of putting these criminals out of the way took on an aspect of a sporting event rather than the carrying out of a death sentence. A great number of shots were fired at the condemned, who were riddled with bullets. After performing their task, the execution squad left. A few minutes later, one of the outlaws was found to be still alive, although badly damaged by bullets. A telephone call from the police station summoned the soldiers back, and they put this unfortunate out of the way by firing at him while he lay on the ground. The manner in which the execution was performed was a most unhumane piece of butchery. The bodies were left lying in the road all afternoon for all to see and take warning.

A proclamation has been given by General Chiang Kai-shek that the launches plying between Wuchang and Hankow are not to be commandeered for military use no matter how important and urgent the affairs may be, nor are ships and boats allowed to anchor so as to cause inconvenience to passengers.

Hankow, Dec. 25, 1926.

Men and Events

Mrs. Margaret Proctor Smith, singer and lecturer of Hankow, has arrived in Shanghai for a visit of several weeks.

Commander L. S. Shapley formerly with the U. S. Yangtze Patrol in China has been appointed Governor of Guam.

The A. D. C., Shanghai amateur dramatic organization will present the play, "Oh, I say," at the Lyceum Theater on January 6, 7, and 8.

The American Players, amateur dramatic organization of Shanghai, will present the play, "Lightnin'" at the Carlton Theater on February 10, 11 and 12.

Yenching University, Peking, has just issued an attractive booklet containing a history of the institution. The booklet is illustrated with views of the new buildings.

The Westinghouse Electric Company has distributed as a Christmas souvenir a handy pocket diary and calendar which contains in the back pages an excellent map of China.

The output of pig iron in the United States during November, 1926 was the highest since 1918 while steel production was the highest in the history of the country.

Hugo Reiss, vice-president and assistant general manager of Andersen, Meyer and Company, who is now in New York City, is expected back in Shanghai the latter part of January.

The intercollegiate joint-entertainment under the auspices of about twenty local Chinese colleges and universities was held at the Shanghai Town Hall on Saturday afternoon, Dec. 25.

The Christmas fund for Chinese rickshamen in Shanghai' raised by the *North-China Daily News* reached the total of \$10,360.40 and Tls. 30, according to the list published in the paper on Dec. 25.

The Rev. Robert B. Ewan, for many years connected with the West China Mission of the United Church of Canada, in China, died recently in California where he had retired owing to ill health.

Percy Leedham, former chief engineer with the China General Omnibus Company of Shanghai, accompanied by his wife and daughter departed for England last week where they will make their future home.

More than 100 children of members of the Columbia Country Club were given a Christmas party at the Club on the afternoon of Friday, Dec. 24, the party being arranged by Mrs. Baldwin and Mrs. Staber.

Sir Percival Phillips, correspondent for the *London Daily Mail* who has been in Hankow for several days, has returned to Shanghai and will remain here for several weeks investigating the situation for his paper.

Some twenty Chinese were killed and sixteen were injured in an explosion in the coal mines of the Kailan Mining Administration near Tientsin on Monday morning, Dec. 20. The explosion was caused by fire-damp.

Chinese bandits on December 17, raided and burned a city in the Fushun prefecture near the Korean border in Manchuria, after which they kidnapped the magistrate and chief of police. The bandit gang numbered about 400.

M. A. Sergyles, Counsellor of the Belgian Legation in Peking departed on Dec. 23 for Hankow for the purpose of holding a conference with Eugene Chen, minister of foreign affairs of the Nationalist Government on the subject of the Sino-Belgian Treaty.

Dr. J. L. McCartney, formerly a practicing physician in Hankow, who has recently established an office in Shanghai, will conduct a column on "Health" in the *Shanghai Times*, according to announcement in that paper on Dec. 25. Dr. McCartney, who was formerly with the Rockefeller Hospital in Peking is a specialist in nervous diseases.

According to a report appearing in the *San Francisco Chronicle* on Nov. 18, the Dollar Steamship Company is planning shortly to open a general office in Paris, France. The report stated that R. Stanley Dollar had gone to France for that purpose. Heretofore the business of the Company in France has been handled from the office in Genoa.

The annual dinner and entertainment of the American University Club of Shanghai will be held on the evening of Wednesday, Dec. 19 at the Majestic Hotel, according to announcement of the Committee last week. In addition to the dinner there will be numerous college "stunts" by various university groups, following which there will be dancing.

A divorce action was started in the U. S. Court for China on Friday Dec. 24 by L.G. Husar, former U.S. District Attorney, Shanghai, against his wife, Mary Joe Husar. Mr. and Mrs. Husar were married in August, 1925 following a sensational elopement on board the President Taft, the wedding ceremony being said by the Captain of the ship.

(Continued on page 139)

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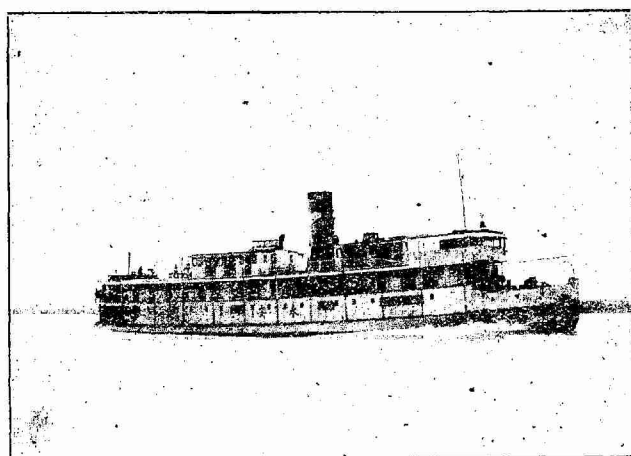
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Developments in the China Situation for the Past Week

Although the situation in the Chinese politico-military field has been quiet on the surface for several days there has been no lack of activity beneath the surface in at least two important fields of activity—Honan and Kiangsu—in both of which the Northern militarists are attempting to checkmate the advance of the Southerners. According to fairly reliable reports, the Northern militarists, otherwise, Gen. Chang Chung-chang of Shantung and Marshal Sun Chuan-fang of Kiangsu and Chekiang now have approximately 100,000 troops massed along the railway between Nanking and Hangchow, a distance of about 250 miles.

Thus far both Chang Chung-chang and Sun Chuan-fang are in Nanking, but Chinese reports have it that Sun will shortly move to Shanghai, establishing



Gen. Chang Chung-chang

his headquarters here from which point he will attempt to manage the Chekiang situation while Chang Chung-chang will remain in Nanking and watch the situation in that area. As these lines are written there are rumors in circulation that Chang Chung-chang will shortly declare himself tupan of Kiangsu, but there has as yet been no official declaration to this effect.

What Chiang Kai-shek is Doing

While Gen. Chiang Kai-shek is keeping his plans to himself, there are rumors of quiet preparations being made to attack Shanghai which have had the effect of

keeping both Sun Chuan-fang's emissaries and the foreigners at Shanghai on edge. According to a report in the service distributed by the Chinese *Kuo Wen* News Agency on Monday, Dec. 27, Gen. Chiang Kai-shek had decided to station Generals Chu Pei-tuh and Chen Chien of the Southern forces in the vicinity of Nanchang, Kaoan, Hsinyu and Fenghsin in Kiangsi province while Gen. Liu Tse's troops had been dispatched into western Chekiang province. From the standpoint of Hangchow, the provincial capital of Chekiang, Marshal Sun Chuan-fang seems to be having considerable trouble, for the First Chekiang Division under Sun's subordinate, Gen. Chen Yi, became disloyal and had to be disarmed by Gen. Meng Chao-yueh, another Sun subordinate considered to be more loyal. Part of the 'disloyal' division put up a fight and caused considerable trouble on the outskirts of Hangchow before the men were disarmed. It is still quite questionable whether Sun will be able to maintain his position in Chekiang owing to the pressure of the Southern forces on both the Western and Southern borders of the province and in addition the constant threat of disloyalty on the part of his own troops.

Christian General Links Up with Kuomintang

Perhaps the most significant development during the past week was the report that Feng Yu-hsiang's troops have advanced into Honan and have effected a combination with the forces of Gen. Fan Chungchieh in southwestern Honan, the latter being in alliance with the Kuomintang troops in Hupeh. If this is correct, it is quite possible that the decisive struggle of the present conflict may be waged in Honan, for a Kuomintang success in Honan would make it necessary for the Northern Allies to withdraw their forces from the Lower Yangtze district owing to the possibility of having their line of communication cut on the Tientsin-Pukow Railway due to a Kuomintang advance eastward along the Lung-Hai Railway.

Chang Tso-ling Goes to Peking

Marshal Chang Tso-ling, warlord of Mukden and head of the new Ankuochun or 'National Salvation Army' went to Peking on Monday, Dec. 27, the *Kuo Wen* News Agency stating that Chinese shop-keepers in Peking, 'upon instructions from the police,' putting up the republican flags to welcome him to the Capital. Chang's purpose in going to the Capital seems to be two-fold: First to do something about

the formation of a Government to take the place of the present make-shift Cabinet; and second, to sound out the Powers on the subject of recognition, and possibly to obtain the Powers support of some scheme to raise money in order to finance the campaign against the South. It is reported in some quarters that Chang Tso-ling may find himself in the President's chair before he realizes what has happened, owing to the frantic efforts of Chang's supporters to do something to maintain their own positions.

Lampson's Interview with Chang

An interesting sidelight on the British minister's arrival in the North was provided through a report of a conversation between Chang Tso-ling and Miles W. Lampson, British Minister, who stopped off in Tientsin on his way to Peking from Hankow, following a series of conversations with Eugene Chen of the Nationalist Government. According to one of the Chinese news agencies, when Mr. Lampson mentioned his conversations with Eugene Chen, Marshal Chang asked him whether this was the man whom the British Government had refused to recognize as a British subject (Chen was born on the Island of Trinidad, a British possession in the West Indies). Mr. Lampson replied that the situation had changed since the time when Britain had refused to recognize Chen as a British subject. Mr. Lampson then explained to Marshal Chang, according to the report, that conditions in South China were so different from conditions in the North, that there was a tendency to split China into two governments with the Yangtze as the dividing line. Chang's reply to this was that he did not believe that China could be divided into two states and that there had never been an instance in China's history where the North had been conquered by the South, but that there were plenty of instances where the South had been conquered by the North!

The Peking Cabinet Situation

Just what is likely to happen in case the Cabinet is reorganized in Peking is still unsettled, although a *Reuters* report on Dec. 23 listed the following as possible members: Premier, Gen. Chin Yun-peng; Minister of Foreign Affairs, Dr. Wellington Koo; Minister of Finance, Pan Fu; Minister of War, Gen. Chang Ching-hui or Chin Yun-peng; Minister of Navy, Gen. Pi Shou-cheng; Minister of Interior, Cheng Chien or Tien Ying-huang; Education, Yang Tu; Justice, Cheng Chien; Communications, Chang Ying-huai or Cheng Hung-nien; Agriculture and Commerce, Yang Wen-kai or Ho Teh-huai.

Sun Fo and Borodin Denounce British

For some reason not yet entirely clear, Sun Fo, son of the late Dr. Sun Yat-sen and Borodin, Soviet adviser to the Nationalist Government, both delivered violent anti-British speeches in Hankow, immediately following the departure of Mr. Lampson, British Minister to China from Hankow where he had held apparently satisfactory interviews with Eugene Chen, Minister of Foreign Affairs of the Nationalist Government. Both Sun Fo and Borodin outdid themselves in denouncing the British, the violence of their remarks leading to the belief that the Cantonese radicals were disappointed that Lampson had not agreed outright to recognize the Nationalist Government. In other quarters it was interpreted that the anti-British manifestations were due to a fear that Lampson's recommendations (referred to elsewhere in this issue) might serve as an encouragement to the more conservative elements in the Kuomintang in their efforts to oust the radical factions and their Russian advisers.

The unsettled labor situation at Hankow continues with strikes occurring in rapid succession and with propaganda against the British increasing in intensity. In addition there were serious anti-Christian manifestations on Christmas Day, several Christmas entertainments in the schools being broken up or interfered with and in at least one case the agitators took charge of the meeting and delivered blasphemous speeches from the platform.

Trying to Settle the Mixed Court Issue

According to reports from Peking, the Powers have been making a desperate effort to wind up the negotiations for the rendition of the International Mixed Court at Shanghai before the end of the old year. The Peking report, which was carried by the Japanese *Toho* News Agency stated that the negotiations were blocked by one foreign minister, generally reputed to be the Italian, who refused to agree with the British Minister's proposal.

It was also reported that the Italian consul at Shanghai had refused agreement to the proposal for renditing the Court before the close of the year, resulting in the necessity for the other consular authorities to wire their home governments for further instructions.

From the Chinese Press

December 24.—New British Minister, Mr. Lampson, arrives in Tientsin holds conference with Chang Tso-ling and departs immediately for Peking—Marshal Sun Chuan-fang calls on Japanese Consul in Nanking making inquiry regarding the condition of the Japanese Emperor—People's Tribune, organ of the Kuomintang party in Peking, in reference to the British proposals to recognize the surtaxes now being collected by the Cantonese Government, states that the British proposal will not help the relations of the Chinese and British and that Canton will not accept the British proposals—Japanese *Toho* report from Peking states possibility that the new Cabinet to be organized by Chang Tso-ling may make its headquarters in Tientsin instead of Peking—Gen. Liu Tsung-hua admits practical loss of Shensi province to Kuominchun, the loss being due chiefly to shortage of rifles and ammunition—Gen. Pi Shou-cheng at Tsingtao orders all Chinese gun-boats at Tsingtao to be dispatched to Shanghai; Gen. Pi appoints Gen. Li Pei-chi as defense commissioner of Chefoo—Four regiments belonging to Gen. Chen Yi in Hangchow disarmed upon orders of Marshal Sun Chuan-fang and Hangchow now occupied by Gen. Meng Chao-yueh, an appointee of Marshal Sun—Marshal Sun evinces strong opposition to independence movement in Chekiang and demands immediate evacuation of Southern troops from province—T. V. Soong, minister of finance of Nationalist Government informs Hankow merchants that he will do his best to protect private properties and announces that he will need the help of the Chinese merchants and bankers in the issuance of loans in Hupeh province—Marshal Sun Chuan-fang orders advance on Southern troops in Lanchi, and Fuyang, Chekiang and sends 4,000 troops under Gen. Han Kwang yu—Strike of Chinese employes of French Tramways, Shanghai settled through acceptance of most of the demands—Chinese merchants entertain Kuomintang leaders at Hankow, meeting presided over by Lu Chu-peh and addresses delivered by Borodin, T. V. Soong, Sun Fo, Hsu Chien, Chiang Tso-pin, meeting lasting for five hours—Chiang Kai-shek sends telegram to all provinces controlled by Kuomintang urging formation of local provincial governments in order to participate in forthcoming Citizens Conference to consider question of unequal treaties—Hupeh provincial administration protests the action of the British in handing over the Kuomintang propagandists arrested in the British concession to the Fengtien authorities—Gen. Meng Chao-yuen advances troops to Hangchow and Gen. Bei Bao-san, formerly stationed at Haichow, Kiangsu, arrives at Changchow—*Kuo Wen* agency reports that agreement reached at Tsingtao whereby Admiral Yang Shu-chuang, commander of Yangtze Squadron and Gen. Pi Shou-tseng of Yellow Sea Squadron will cooperate in the defense of the Yangtze between Woosung and Nanking.

December 25-26-27.—Anti-Christian agitators in Hankow broke up a Christmas entertainment being held by the Wesleyan Methodist Mission taking charge of the program and delivering blasphemous speeches from the stage; also invaded entertainment of the David Hill Blind School and distributed anti-British literature denouncing the British as traitors who treat the Chinese as cattle, one foreign missionary who attempted to stop demonstration was dragged into the street and severely beaten—According to *Reuters* report from Hankow, the foreign consular authorities have warned all foreign women and children to evacuate Szechuen, Huanan and Kiangsi provinces on account of anti-foreign demonstrations—Nationalist officials demand sum of Tls. 30,000 from foreign merchants at Changteh and also order arrest of all Chinese employes of foreign firms and close down Japanese match factory—Newly formed "Christmas Anti-Christian Society" in Hankow distributes leaflets warning Chinese against purchasing British goods, traveling on British steamers, smoking British cigarettes and urging the Chinese to take over the British concessions—Kuominchun forces in Honan link up with forces of Gen. Fan Chung-chief and take city of Lungmenchieh, which is located south of Loyang—*Kuo Wen* Agency report states that Chang Tso-ling is optimistic over the situation and has appointed Gen. Han Lin-tsung in command of the drive in the Northwest against the Kuominchun and that Gen. Yu Tsung will command the Fengtien forces on the Peking-Hankow Railway, it being again reported that a plan of cooperation has been arranged with Wu Pei-fu—*Kuo Wen* Agency reports that British Minister Lampson informed Chang Tso-ling that China should be separated into two governments, north and south of the Yangtze, but that Chang Tso-ling told him that he did not approve, that in past history the country had always been 'pacified' from the North rather than from the South—Fengtien officials now waiting for 'lucky day' for Marshal Chang Tso-ling's

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entrance into Peking, great preparations being made for his arrival in the Capital—Again reported that Gen. Chin Yun-peng will undertake the formation of a new Cabinet—Preparations being made for immediate invasion of Honan by Fengtien forces—Japanese emperor dies.

December 27.—Marshal Chang Tso-ling probably will proceed to Peking on Dec. 29, Gen Yu Tsung, inspector of troops on the Peking-Hankow Railway remaining in Peking until Marshal Chang's arrival—British Legation officially notifies Waichiaopu of Minister Lampson's arrival—Atmosphere of Tientsin now reported as unfavorable to formation of Cabinet under Gen. Chin Yunpeng—Gen. Chang Chung-

chang appoints Gen. Tung Hung-kuei as bandit-suppression commissioner of Shantung with Generals Fang Yun-chang and Tih Wen-ling as associates for purpose of ridding Shantung of bandits—Peking report states that Paotao has been evacuated of Kuominchun troops and that region now controlled by Gen. Wu Tsao-hu of Shansi forces—Gen. Liu Tsung-hua formerly controlling Shensi for Northern 'allied' forces but defeated by Kuominchun recently, arrives in Peking and solicits assistance of Marshal Chang Tso-ling—Sun Chuan-fang will arrive in Shanghai from Nanking the latter part of the month and Gen. Chang Chung-chang will establish headquarters at Nanking—Chekiang independence movement stifled by arrival of Sun Chuan-fang forces; Southern forces under Gen. Chou Feng-chi formerly in Hangchow, retreat to Fuyang and Langchi and establish separate Chekiang Government controlled by Southerners—Sun Chuan-fang issues orders for arrest of leaders of Chekiang independence movement including Tsai Yun-pei, Chu Fu-chen, Yin Ju-kung, Yin Ju-li, Yang Tien-chi and others—First Division under Gen. Chen Yi, civil governor of Chekiang disarmed by Sun Chuan-fang, but Gen. Chen remains in Hangchow acting as civil administrator with Gen. Meng Chao-yuen as commander of Sun Chuan-fang's forces.

December 28.—Peking Government telegraphs all Government offices throughout China to hoist the flag at half-mast for one week as a mark of respect for the death of the Japanese Emperor—Two thousand hotel employees in Canton strike for better treatment—Kuomintang branches in Kwangtung province hold massmeeting—Chang Tso-ling goes to Peking for conference with Diplomatic Body—Wellington Koo and other Peking officials express official regrets of China for death of Japanese Emperor—Ministers of Powers meet in Peking to consider the matter of rendition of the Mixed Court at Shanghai, but no action taken owing to inability to agree—Japanese Toho Agency reports from Peking indicate that Japan will oppose British proposal outlined in Note released on Sunday, Dec. 26—British Legation in Peking and British consulates throughout China release official text of British Note to Powers recommending change in policy—Chinese shop keepers, upon instructions from the police display flags welcoming Chang Tso-ling to Peking—Chiang Kai-shek stations Generals Chu Pei-tuh and Chen Chien at Nanchang and dispatches Gen. Liu Tse to Chekiang—Sun Chuan-fang sends delegates to Shanghai to watch radical organizations and cooperate with Settlement authorities in preserving order—Part of First Chekiang Division causes disorder resulting in minor fighting owing to Sun Chuan-fang's attempt to disarm troops considered disloyal—Many of Sun Chuan-fang's subordinate officers being held prisoner in Hangchow owing to alleged disloyalty.

December 29.—Chang Tso-ling met in Peking by Chiang Tso-hsiang, tupan of Kirin, Wu Chun-sheng, tupan of Heilungkiang and Chang Ching-hui military leader of Fengtien party—Hsu Ti-kong assumes post of civil Governor of Kiangsu in place of Chen Tso-yi who resigned—According to Japanese Toho News Agency, Chang Tso-ling discharged Yang Yu-ting, chief of staff of Fengtien party and Chen Chien, excivil-governor of Kiangsu and issued an order for their courtmartial—Japanese report states Marshal Chang's reason for going to Peking was his suspicion of the Powers regarding their attitude toward the Southerners, hence he wanted to find out their real attitude and also for the purpose of forming a new Cabinet under Gen. Chin Yun-peng—Marshal Chang, immediately upon arrival in Peking calls conference of Dr. Wellington Koo, Lo Wen-kan and Tung Erh-wo and other Cabinet members for conference—Japanese report states that Chang Tso-ling will shortly issue declaration pledging Ankuochun party to: Form stable government; adopt moderate principles of diplomacy; observe validity of treaties between China and Powers; admit China's debts to Powers; oppose bolshevism; prohibit imperialism and strike propaganda; express hope that Powers will help him financially to fight bolshevism—Chang Chung-chang of Shantung sends detachments of propagandists to spread propaganda against the Nationalists—Civil Governor of Shantung promulgates regulations for improving condition of mine-workers in province—Federation of Farmers, Laborers, Merchants and Students present demands to the Nationalist Government at Wuchang asking that opium trade be stopped; that prices for salt be reduced; that plain-clothes sentinels be demobilized; that bandits be suppressed; that arbitrary taxation be stopped; that public and privately owned factories be ordered to start work at once in order to relieve unemployment; that funds for educational work be guaranteed—Hupeh Government will be composed of Committee consisting of eleven members,

(Continued on page VI)

New Books of Interest in the Far East

Margaret Sanger on Marriage

Happiness in Marriage, by Margaret Sanger; Messrs Brentanos, Publishers, N. Y.

Margaret Sanger, author of "The Pivot of Civilization," "Woman and the New Race," and in the popular mind at least, an authority on birth control, is the author of another book,—shall we say, 'sex book'—*Happiness in Marriage*. The book is dedicated to the new generation 'who seek happiness in marriage based on truth,' and the chapter headings tell the story: "The First Step," "Building Up Life Forces," "Courtship for the Man," "Courtship for the Woman," "Engaged," "The Honeymoon," "The Organs of Sex and their Functions," "The Drama of Love," "Premature Parenthood and How to Avoid it," and so on. The book is a scientific treatise but handled in a practical way and is instructive. Undoubtedly Mrs. Sanger's contribution should be of value because of its practical handling of a commonplace subject. That such books can be put out now without arousing comment or restrictive enactments on the part of narrow-minded officialdom shows that much water has flowed over the dam since Mrs. Sanger first started lecturing on birth control.

J. H.

Some Poems

Later Lays of Sergeant Con and Other Verses By Norbert Lyons, Manila Publishing Company, Manila.

About one hundred and fifty selections in verse are collected in this small red-cloth bound volume. The excuse for the publication is best given in the words of the writer as contained in the preface: "They are mostly 'occasional' pieces, written to fit current events or news developments. They obviously display all the faults of such hastily written verse. If any merit at all attaches to these snapshots in rhyme, it will probably be due to the fact that they constitute an attempt to faithfully portray a milieu (*sic*) and an atmosphere that are rapidly disappearing, or perhaps because they throw some light on a problem that has been bothering the American people and our statesmen for nearly a quarter of a century."

Part of the selections are from an earlier edition while the rest are reprinted from Philippine or American newspapers or magazines. The topics treated embrace the "Empire" period in the Philippines, later events such as the introduction of an army of "heroes of peace"—the school teachers from America, echoes of the Wilson-Huerta difficulties in Mexico, and echoes of the World War. The style in which they are presented ranges from doggerel or mother Goose lilt to the "Imperialistic" style of Kipling. Slang, local color, and "pidgin" Spanish abound. A necessary glossary is included.

The resident of the Philippines—former or present—the traveller in the Islands, and the student of Expansion, Imperialism, the "White Man's Burden," and the effect of these upon literary effort will find much to interest them in this unassuming little book.

H. F. M.

A Modern Helen of Troy

The Private Life of Helen of Troy By John Erskine; Indianapolis: The Bobbs-Merrill Company.

The poet says, "A thing of beauty is a joy for ever," which may not be true in the case of a pretty woman. Her beauty passes and even when it is at its zenith it may not be a 'joy forever.' It is an irony of fate that many noted beauties of the world like Aspasia, Cleopatra, Padmavati etc have only brought ruin and destruction to others. They intoxicated men with their charms without elevating their souls, and the result has been trouble. Beauty in woman should elevate man and inspire him to deeds of greatness. A woman of great physical charm should be more than a statue or a painting.

Helen of Troy was a force of destruction and disharmony. She was crafty, insincere and fickle. Menelaos loved her, and loved her well. But Helen was not only unkind to him, but also unfaithful. This book may claim to paint a true picture of the historical Helen, but we find only a modern woman in her. Her language, manners and general behaviour is purely American, and we would not take her for Helen of Troy but for her name. There is

little action in the story and no idea of the ancient age in which Helen lived can be gathered from a reading of the book. As light reading it is interesting, however.

The author uses some philosophic expressions here and there like the following which enhance the beauty of the book, and offer a little food to our fancy:

"A divine realization of life, yes, an awakening to the world outside and to the soul within—but not happiness should be expected of love."

"One falls in love with illusion and not reality."

Indeed Reality and Love are the same. Those who love the beautiful will be unhappy, and those who love beauty will find joy and peace.

H. P. Shastri

Youth of the Post-War Period

The White Monkey, by John Galsworthy. New York: Charles Scribner's Sons.

In his new novel John Galsworthy takes as his theme youth, the new youth arising from the post-war period in England with its tremendous issues in national life and morality. And to do so he continues to still another generation the Forsyte family which he created to represent the evolution of the middle class from the conventions and inhibitions of the Victorian age to the present time when ideals are being cast into the mold and re-created. Of all his novels, "The White Monkey" bears more distinctly the signs of the unrest of the age which it inspired it and we find amid the striving for emancipation from the bonds of the past the disillusionment inevitable to a partial, not a complete victory. Mr. Galsworthy's powers as a penetrating observer of contemporary life with its new channels of thought and endeavor, its changing creeds and differing standards and its blind experiments in futile "isms" are fully demonstrated but altho Mr. Galsworthy does not exactly enshrine the ideals of the new age one feels that he abandons Victorianism without even a sigh or a sympathetic word to ease its passing. As a picture of life in England today it is a masterpiece.

P. F.

Men and Events

(Continued from page 135)

Edgar S. Bloom has been elected president of the Western Electric company of New York, the parent company of the China Electric Company of Shanghai and Peking. The Western Electric Company is the world's largest manufacturer of telephones and telephone equipment and is also interested in the production of radio equipment. Mr. Bloom is a graduate of the University of Pennsylvania.

An American University Club, similar to organizations now in existence at Peking and Shanghai, has recently been organized in Tientsin. The temporary officers and committee are, Chairman, L. H. Nuland; Secretary, C. H. Cornish; committee, Q. L. Young, K. P. Hu, Henan Chi, G. S. Ling and J. Warner Brown. There are said to be some 300 graduates and former students of American colleges and universities residing in the Tientsin district.

Dr. W. W. Willoughby, professor of political science at Johns Hopkins University is now engaged upon a revision of his book, "Foreign Rights and Interests in China," long considered one of the most important books dealing with the Far East. Dr. Willoughby was technical adviser to the Chinese delegation at the Washington Conference and has served in a similar capacity to the Chinese delegation at Geneva. His latest book, issued early this year, is entitled, "Opium, an International Problem."

The December number of the *Maifoo Shield*, house organ of the Standard Oil Company of N. Y., Shanghai, is largely devoted to Java and the Dutch East Indies. An article descriptive of the Dutch Colonial Petroleum Company, subsidiary of the Standard Oil Company states that eighteen wells have been drilled to production on their properties and that sufficient oil has been obtained to warrant the construction of a six-inch pipe line, 130 kilometers in length and that a refinery with a capacity of 4,000 barrels a day is nearing completion. There are several other articles pertaining to the Dutch East Indies with photographs and biographical sketches of the Standard Oil staff in that territory.

(Continued on page VI)

Latest New York Stock Exchange Quotations

Supplied by J. E. SWAN & CO.

Share and general brokers
Members Shanghai Stock Exchange

11 Kiukiang Road. Telephone C. 6615

Closing Rates—December 29

Market Closed: Weak Business Done 2,000,000

December 29, 1926 Average 1925

STOCK	LATEST	HIGH	LOW
American Telephone & Tel. Co.	148 3/4	145	130 3/4
American Tobacco (Class B)	121 1/2	119 1/2	84 1/2
Anaconda Copper	49 1/2	53 1/4	35 1/4
Baldwin Locomotive	160 1/2	146	107
Bethlehem Steel (Ord)	47 1/2	53 1/2	37
General Motors (Common)	155 1/4	149 1/4	64 1/2
Liggett & Meyers (Class B)	101 1/4	89 3/4	55 1/2
Pennsylvania Railroad	56 1/2	55 3/4	42 1/2
Tobacco Products	107 3/4	101 3/4	70
Tobacco Products (Class A)	115	110 3/4	93 1/2
United States Rubber Co.	59	97 1/4	33 1/2
Du Pont de Nemours (Common)	175 1/2	271 1/4	134 1/4
Packard Motor Car Co.	36 1/2	48 3/4	15
British-American Tobacco (Common)	23 3/4	28 1/2	24 1/4
Union Pacific R.R.	160 1/2	153 1/4	133 1/4
U. S. Steel	158 3/4	139 1/4	112 3/4
Anglo American Oil (Voting Shares)	20 1/2	26 3/4	17 1/2
British American Oil	83	47 1/2	38
Phillips Petroleum	55 1/2	47 1/2	36 1/4
Imperial Oil	37 3/4	134 3/4	27 1/4
International Petroleum	32 1/4	35 3/4	22 3/4
Continental Oil	19 3/4	31 1/2	21 1/2
Standard Oil of Calif.	59	67 1/4	51 1/2
" " Indiana	69 3/4	70 3/4	59 1/2
" " New Jersey	38 3/4	47 1/2	38 3/4
" " New York	32 3/4	48 3/4	40

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American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price Dec. 16th.	Sale Price Dec. 23th.	Approx. Yield to Maturity Dec. 23th.
Szechuan-Slovak Govt. Sinking Fund Loan...	8	Oct. 1, 1932	105 1/2	105	7.55
Cuban Domin. Sugar Co. 1st Lien S.F. Loan...	7 1/2	Nov. 1, 1944	99 1/2	99 1/2	7.55
Republic of Chile S.F. Loan...	7	Nov. 1, 1942	101	100 1/2	6.90
Argentine Government Ser. "A"...	6	Sept. 1, 1957	98 1/2	98 1/2	6.10
German Governments S.F. Loan...	7	Oct. 15, 1949	106 1/2	106 1/2	6.45
Kingdom of Norway S.F. Loan...	6	Aug. 15, 1943	101 3/4	101 3/4	5.85
Deutsche Renten Bank 1st Lien Farm Loan	7 1/2	Sept. 15, 1950	101 1/2	101	6.90
Can. Pac. R.R. Co. Debenture Stock...	4	Perpetual	84 1/2	84 1/2	4.72
Belgian Government S.F. Loan...	6	Jan. 1, 1955	92	91 1/2	6.70
Andes Copper Mining Co. Debentures...	7	Jan. 1, 1943	109	108 1/2	6.15
German General Electric Co. S.F. Loan...	7	Jan. 15, 1940	104 1/2	104	6.60
Saxon Public Works Inc. 1st Mtge. Guaranteed S.F. Loan...	7	Feb. 1, 1945	101 1/2	101 1/2	6.85
Cuban Northern R.R. Co. 1st Mtge. Loan...	6	July 1, 1966	99 1/2	100	6.00
Dodge Brothers Inc. Debentures...	6	May 1, 1940	95 1/2	95 1/2	6.50
Republic of Haiti...	6	Oct. 1, 1952	98 1/2	99 1/2	6.05
Czechoslovak Government Ext. S.F. Loan...	7 1/2	Oct. 1, 1945	105	105	7.00
Kingdom of Italy, Ext. S.F. Loan...	7	Dec. 1, 1951	93 1/2	92 1/2	7.70

The National City Company International Bank Building
No. 2A Kiukiang Road, Shanghai, China.These quotations are subject to confirmation by the
National City Company of New York.

Shanghai Exchange for Week Ending Wednesday, Dec. 29, 1926

By Maitland, Fearon and Brand

Exchange:—The price of Bar Silver in London has improved during the past week today's quotations of 24 1/8 d., ready and 24 1/4 d., two months forward show an advance of 1/4 d., and 1/8 d., respectively over those ruling this day last week. The official T/T rate on London remains unchanged @ 2/4 d. Business in the exchange market has been curtailed by the usual Christmas holidays, but during the days that the market has been open, it has been very inactive. Banks are sellers of gold currencies at the close as follows:—T/T London 2/5 1/8 d., New York 59 1/2, Japan 28 1/2.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver.....Tls. 70,407,000 a decrease of Tls. 1,413,000

Chinese and Mexican Dollars.....\$ 71,780,000 an increase of \$ 980,000

Estimated value Tls. 122,088,000 as against Tls. 1,100,296,000 held at this time last year

	Average rates for Nov.	Thursday Dec. 23	Friday Dec. 24	Saturday Dec. 25	Mon. Dec. 27	Tues. Dec. 28	Wednesday Dec. 29
Bank's selling rates		opening closing	opening closing	opening closing	opening closing	opening closing	opening closing
T/T London	2/4.894	2/4 1/2	2/4 1/2			2/4 1/2	2/4 1/2
D/Dfts "	—	2/4 1/2	2/4 1/2			2/4 1/2	2/4 1/2
4 m/s "	—	2/5	2/5			2/5	2/5
T/T India	161 615	159 1/2	159 1/2			159 1/2	159
T/T France	1,724 423	1460	1465			1470	1470
T/T N. Y.	58.288	58 1/2	58 1/2			58 1/2	58 1/2
T/T Hong	80.394	82 1/2	82			82	82
T/T Japan	83.990	84	84			84	84
T/T Batavia	145 067	144 1/2	144 1/2			144 1/2	144 1/2
T/T Straits	96.500	97	97			97	97
Bk's buying rates							
4 m/s B/L.		2/6.894	2/6 3/4			2/6 3/4	2/6 3/4
Cred. D/A							
4 m/s " D/P	—	2/7	2/7			2/7	2/7
6 m/s " B/L	2/7.207	2/7 1/2	2/7 1/2			2/7 1/2	2/7 1/2
Cred D/A							
4 m/s B/F		1,861.154	1590			1600	1600
Cred D/A							
4 m/s N. Y.		61.788	61 1/2			61 1/2	61 1/2
Lc.		—	62 1/2			62 1/2	62 1/2
4 m/s " Dacs							

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling Bullion.

*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence

**New York Price of Bar Silver per oz. (Pure)

Shanghai Price of Gold Bars (weight Tls. 10 (Channing) 978 touch).....

Shanghai Silver Bars (weight Tls. 100 (C.) 999 touch)

Shanghai Mexican Dollars per \$100.....

Native Bank Rate of Interest (Call money).....

*Closing Price in London for Previous day

**Closing Price in New York for Previous day

Bank of England rate of discount 5%

Bank of France rate of discount 6 1/2%

London open Market of Dis. 3 m/s 4 1/2%

" 4 " 4 1/2%

" 6 " 4 1/2%

	Dec. 23	Dec. 24	Dec. 25	Dec. 27	Dec. 28	Dec. 29
London Paris on						T/T 122.60
New York on London						T/T 48 1/2
Bombay on London						T/T 1/6 1/2
Hongkong on London						T/T 1/11 1/2
Kobe on London						T/T 2/0 1/2



What the Ships Carry between America and China

Return of the Shanghai Customs

By Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mills—thousands; Hk. Tls.—Haikwan Tls., Aug. Customs Rate Tls. 1.27 Goequall 48¢

<i>President Wilson, Oct. 14.</i>		To Paterson,		Dog		7,550	To Kansas.	
To San Francisco,		Silk, Raw, Steam Filature:		Fox Cats.....		400	Tea, Green:	
Oil, Wood..... Pls.		White, Shanghai Bls.		Goat, Tanned..		6,000	Gunpowder, Ningpo. "	
4,500		5		Kid		3,000	To Boston.	
<i>President Madison, Nov. 27.</i>		To Charleston.		Lamb		7,661	Egg Albumen, Dried.. Pls.	
To Vancouver,		Hair, Human..... Pls.		Moufflon, Imit.			To Chicago.	
Tea, Black, other Kinds,		To Boston,		Goats		1,075	Tea, Green:	
Kiukiang		Silk, Waste:		Skins, Rabbit		9,424	Gunpowder, Ningpo. "	
Pls. 35		Other Ports... Bls. 8 Pls.		Wolf		398	To South Manchester.	
Tea, Dust, other Ports. "		Walnuts, Kernels....		Skin Crosses, Kid		145	Silk, Refuse:	
413		To Peoria.		Skin Crosses Lamb....		1,295	Shanghai... Bls. 31 Pls.	
Carpets..... Hk. Tls. 2,201		Tea, Green:		Mats Dog		5,086	To New York,	
To Montreal,		Gunpowder, Ningpo		Carpets		45,659	Tea, Black, other Kinds,	
Tea, Green:		To Rutherford.		<i>Empress of Asia, Nov. 27.</i>			Kiukiang	
Gunpowder, Ningpo. Pls.		Carpets		To Manila,			Hankow	
75		To White Hall,		Silk Piece Goods Pls.		11.46	Tea, Green:	
To Seattle.		Silk, Waste:		Pongees, Shantung "		1.07	Hyson, other Ports . "	
Tea, Black, Congou,		Shanghai... Bls. 8 Pls.		Pongees, Waste			Young Hys n, other	
Hankow..... Pls.		To Buffalo.		Spun		1.89	Ports	
26		Silk, Raw, Steam Filature:		Beans		140	Gunpowder, Ningpo. "	
Tea, Green:		White, Shanghai		Cotton Towels		23	" other Ports "	
Gunpowder Ningpo "		Bls. 150..... Pls.		Nankeens		39	Bristles, Assorted....	
72		Intestines, Pigs', Salted "		Sheetings, Grey		1,240	Brassware	
Tea, Leaf, Unfried,		" Sheep's " "		Handkerchiefs, Cotton. Doz.		1,589	Feathers	
other Ports..... "		To Chicago.		Foreign Goods,			Galangal	
Tea, Dust, other Ports. "		Tea, Green:		Shirtings, White, Jap. Pcs.		200	Nutmegs	
8		Gunpowder, Ningpo Pls.		To Ho-lo.			Hides, Buffalo	
Egg Albumen, Dried..		Carpets..... Hk. Tls.		Silk, Raw, not Re-reeled			Intestines, Pigs' Salted	
Oil, Wood..... "		To New York.		& not Steam Filature:			" Sheep's, " "	
Walnuts, Kernels....		Silk, Raw, Steam Filature:		White, other Ports			Medicines	
701		White, Shanghai Bls.		Bls. 5..... Pls.		4	Wool, Sheep's.....	
Carpets		600..... Pls.		<i>Eclipse, November 29.</i>			Hats, Fibre..... Pcs.	
689		White, other Ports		From U S. A.			<i>Empress of Asia, Nov. 29.</i>	
To Winnipeg.		Bls. 85..... "		Cotton Duck		1,022	From Canada,	
Feathers		Yellow, Hankow Bls.		Tinned Plates, Plain .. Pls.		6,888	Cotton, Raw Amer.	
120		25		" Old..... "		170	Bls. 700..... Pls.	
To St. Louis,		Yellow other Ports		Wire Netting		4	Lead, in Pigs	
Tea, Green:		Bls. 15		Corn Sugar..... "		1,198	Butter..... "	
Gunpowder, Ningpo. Pls.		Silk, Raw, Filature:		Flour, Corn		41	Canned Fruits	
435		Wild, other Ports		Glucose		315	Cheese	
To Kansas City,		Bls. 10		Petrolatum, ...		2,242	Coffee	
Tea, Green:		Silk Pongees, Honan ..		Tobacco, Leaf		36	Apples, Fresh	
Gunpowder, Ningpo. Pls.		" Shantung. "		Bath-tubs, Enamelled.. Pcs.		691	Flour, Wheat	
479		" Piece Goods.....		Oil, Lubricating, Mineral Cals.		7,095	Paints, Unclassed	
To Huntingdon,		Tea, Black, other Finds,		" Unclassed		7,334	Paper, Ca board	
Silk, Raw, Steam Filature:		Shanghai		Machinery			Ink, Printing	
White, Shanghai Bls.		Brassware		From Manila,			Cigarettes	
Bls. 75		Cotton, Raw.. Bls. 127		Rectified, Alcohol Galls.		11,560	Mille 15,000	
71.76		" Waste		<i>Hamburg Maru, November 29.</i>			Cigars	
To Reading.		Egg Yolk, Dried		To San Francisco.			Motor-cars..... Pcs.	
Silk, Raw, Steam Filature:		Feathers		Tea, Black, Hankow . Pls.		17	Ale	
White, Shanghai Bls.		Intestines, Pigs'		Tea, Green:			Beer	
Bls. 40		Walnuts Kernels.....		Gunpowder, Ningpo. "		291	Whisky	
39.75		" Wool, Sheep's.....		Intestines, Pigs', Salted. "		23	Treasure:	
Silk, Raw, Steam Filature:		Hats, Hemp		Oil, Tea		72	Silver Bars Hk Tls. 925,064	
White, Shanghai Bls.		Skins, Calf.....						
194.16								
Yellow, Shanghai Bls.								
10								
9.96								

Weekly Cotton Market Report

By J. Spunt & Co.

China Cotton:—During the past week prices, with but scanty fluctuations, continued to rule on the same level as that recorded in the previous period and whatever little activity was experienced transpired to have been business done among the speculators for future deliveries which, coupled with a moderate demand for the local staple from the Chinese Spinners brought about a little firmness which was accentuated at the close by the further rise in Mid-Americans and Indians.

The receipts from the interior marts continue to be meted out rather sparsely and while there was no large demand for the staple from either exporters or local consumers, prices at the close remained steady. As to the future trend of the market the outlook is such as to indicate buying at every favourable break with a view to safeguarding against any sharp up ward movement.

Yarn:—Since our last circular was issued there have been comparatively very small markets and prices continued

to rule at the same level as prevailed during the previous period. In all some 6000 to 7000 bales of local spinning, have been booked for export to Hankow, Kiangse, Swatows Szechuen, Ningpo, Wuhu and other interior ports at ruling rates.

Liverpool:—

American-Middling 6.78
American-Middling
last reported..... 6.80
Tone of the market, *Steady.*

New York Market:—

Price of Mid-Amer. 13.05 Spot.
12.37 Jan.
12.61 Mar.
12.82 May.
13.01 July.
13.21 Oct.
Tone of the market:—*Steady.*

Indian Market:—

Fully Good Bengal, D./J. 213
Fine Oomra, Dec/Jan.. 238
Fully Good Broach, A./M. 251

Tone of the market—*Steady.*

Shanghai Market:—

Tls.
Tungchow, spot ex wharf 29.60
Shanghai, Spot..... 28.50
M. Ginned Spot..... 28.75
Shensi, No. 1 Spot..... 29.25
Ningpo, Spot, Ex wharf. 28.40
Tone of the market—*Steady.*

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**UNDERTAKERS
AND
EMBALMERS**

(Continued from page 138)

six to be nominated by the Nationalist Government at Wuchang and five by the Kuomintang provincial branch in Hupeh; Madame Sun Yat-sen appointed chief of training department of women's branch of Kuomintang—Chang Tso-ling's new Cabinet will be formally established on January 1; Chang sends Wu Chin to call on members of Diplomatic Body; Chang orders Gen. Yu Tsung to start military operations on Peking-Hankow Railway immediately—British Minister Lampson arranges for interview with Wellington Koo—Telegraphic communication between Shanghai and Hangchow and Hangchow and Ningpo interrupted and fighting between Southerners and Northern Allied troops expected shortly at Hsiagsan, near Hangchow—Geh. Shi Tao, formerly under Gen. Chen Yi of Marshal Sun's forces deserts to South and assumes command of the First Chekiang Division and will cooperate with Gen. Chow Feng-chi against the Northerners.

Men and Events

(Continued from page 139)

The Union Club of China will hold a dinner-dance on the evening of Tuesday, Jan. 4.

W. S. Leonard, manufacturers' representative of Shanghai is departing shortly on a business trip to Manila.

G. D. Coutts, Shanghai businessman died in London on Dec. 24. Mr. Coutts, who was in ill health, had gone to London for medical treatment.

N. T. Yang, commissioner of foreign affairs and superintendent of customs at Nanking is visiting in Shanghai. Mr. Yang was formerly assistant commissioner of foreign affairs at Shanghai.

The Belgian Consulate-General which has been located for several years at No. 101 Bubbling Well Road, Shanghai, is shortly to be removed to No. 30 Route Pichon, the premises occupied until recently by Dr. Fearn's Sanitarium.

James Douglas, detective sub-inspector, attached to the police department of the Shanghai International Settlement was found dead in his automobile on Sunday evening, Dec. 25. His service revolver was found beside his body on the seat of the automobile.

Major General W. C. Neville of the U. S. Marine Corps, accompanied by Mrs. Neville, is visiting in Shanghai for a few days on his way to Manila to inspect the various stations of the U. S. Marine Corps in the Pacific. They are staying at the Palace Hotel.

Frank Hedges, former editor of the *Japan Advertiser*, Tokyo, who has been visiting in Shanghai for several days as the guest of Mr. and Mrs. Geo. E. Sokolsky, has departed for Manila and Hongkong on his way home around the world. Mr. Hedges' home is in Springfield, Mo.

Gen. Yen Hsi-shan, governor of the so-called "Model" province of Shansi has been elected honorary director of the National Anti-Opium Society of China, the election being made as a recognition of his services in eliminating the production and use of opium from Shansi province.

T. V. Soong, Minister of Finance of the Nationalist Government at Hankow, has announced that the Nationalist Government will assume responsibility for financial obligations in Hupeh province incurred by previous military controllers of the area, according to a report from Hankow on Dec. 28.

Barnes Moss, representative of the Federal Radio Corporation, in Peking, has announced that reports recently appearing in the press that the American radio interests have given up their attempt to construct stations in China, are erroneous, and that the Company is still interested in the proposition.

A special entertainment in support of the Y. W. C. A. campaign fund was given by Mei Lang Fang and Hans Wiener at the Lyceum theater on the evening of Wednesday, Dec. 29. Subscriptions amounting to \$10,000 were obtained in the recent campaign of the Y. W. C. A., according to the announcement of the Committee.

Senhor Augusto Sarmiento Tereira Brandao, consul-general for Brazil in Shanghai, died suddenly in his rooms at the Palace Hotel, Shanghai, on Sunday morning, Dec. 26. Brazilian interests in Shanghai will be temporarily in the charge of Filiano V. Pereira, vice-consul pending the appointment of a new official here.

Liang Yueh-li, attorney at law and secretary to the Ministry of Foreign Affairs of the Nationalist Government at Hankow, has arrived in Shanghai from Canton and after a few days here will proceed to Hankow to resume his duties. Mr. Liang was formerly a member of the faculty of the Comparative Law School of China, Shanghai.

Col. Henry Jewett Furber, who was a member of the Red Cross delegation to the recent conference in Japan and who has been in Shanghai for several days, is planning to depart shortly for Hongkong where he will meet Judge John Barton Payne, president of the American Red Cross. From Hongkong the party will proceed to Europe for a meeting in Paris in the spring.

Two Russians of the 'white' political faith named Anatol Savonoff and Valerian Moravsky, appeared before the French Mixed Court on Monday, Dec. 27 charged with counterfeiting postage stamps of the late Siberian Provisional Government. According to the evidence the counterfeit stamps were exhibited at the recent Philadelphia Exposition and sold for a considerable sum of money to stamp collectors in the United States. Savonoff and Moravsky were officials of the Siberian Provisional Government. The information leading to their arrest was supplied by the Soviet Consulate-General at Shanghai.

An interlocutory decree of divorce was granted on Tuesday, Dec. 28 to Nina Moon, wife of Yee Kam Moon, secretary of the Chekiang Industrial Bank, Shanghai, on grounds of cruelty. Alimony to the amount of \$300 and costs of the action were also allowed. According to the evidence Mr. and Mrs. Moon were married in 1916 at Coeur d'Alene, Idaho and have three children. When asked how her husband could pay her the sum of \$300 a month alimony when his salary was only \$100 a month, Mrs. Moon testified that her husband was planning to marry a Japanese girl who had promised to set him up in business and support him.

Sun Chuan-fang Confiscates Water Craft in Shanghai Area

The Chinese military authorities in the vicinity of Shanghai have succeeded in making themselves extremely unpopular among the owners of Chinese cargo boats and launches. These have all been confiscated for the conveyance of troops and materials of war. Similar confiscation have been made in the vicinity of Wusih and Soochow, with the result that the ferry service between Shanghai and Wusih has been suspended, also that between Shanghai and Huchowfu, while the ferry service between Shanghai and Soochow is liable to be suspended at any moment. It seems that boats were called for and payment offered some days before, but as the response was so meagre the more drastic measure of forcible confiscation was adopted.